

# **Securities Board, Nepal**

# **Annual Report**

**Fiscal Year 2001/2002**

## 1. BRIEF ECONOMIC OUTLINE

### 1.1 Global Economy

In the year 2001, there was slackness in the world economy due to the economic and financial crises in the various countries, bearish trend of the several stock exchanges as well as the incident of September 11 in the USA. Consequently, the economic growth rate of the world has decreased to 2.5 per cent in this year from of 4.5 per cent of the last year. But the growth rate for the year 2002 is estimated to be 2.8 per cent.

In the year 2001, both the developed and developing economies as well as South Asian economies faced economic slackness, whereas most of the economies of the world are expected to gradually improve in the year 2002 and 2003.

**Table 1: Economic Growth** (Annual Growth Percent)

S.N.	Economy	Year		
		2000	2001	2002*
1	Global Production	4.7	2.5	2.8
2	Developed Economics <sup>1</sup>	3.9	1.2	1.7
3	Developing Countries	5.7	4.0	4.3
4	China	8.0	7.3	7.0
5	South Asia <sup>2</sup>	5.3	4.2	5.2
6	India	5.4	4.3	5.5
7	Bangladesh	5.5	4.5	3.9
8	Pakistan	3.9	3.4	4.2

Source: Economic Survey 2001/02 \* Estimated

<sup>1</sup> USA, Japan, Germany, France, UK, Canada

<sup>2</sup> Bangladesh, India, Maldives, Nepal, Pakistan, Sri Lanka.

### 1.2 Nepalese Economy

There was not any improvement in the Nepalese economy in the fiscal year 2001/02. In comparison to the last fiscal year, there was a decrease in most of the economic indicators. The negative trend in the gross national income, saving, investment, consumption and foreign trade have adversely affected the economy. As a result, the economic growth rate has decreased to 0.8 per cent (preliminary estimate) from 4.8 per cent (revised estimate) of the last year.

In the first eight months of the fiscal year 2001/02, there was a decrease in total export and import by 7.8 and 8.5 per cent respectively as compared to the same period of the previous fiscal year. But, as the rate of decrease in import being higher than that of export, total trade deficit has decreased by 1.4 per cent during the fiscal year.

**Table 2: Nepalese Economic Indicator**

(Rs. in million)

S.N	Indicator	Fiscal Year	
		2000/01*	2001/02**
1	Economic Growth Rate (Per cent)	4.8	0.8
2	Gross Domestic Product* (Growth rate)	8.1	4.3
3	Gross National Income* (Rs.)	426000.00	446000.00
4	Gross National Saving* (Rs.)	76285.00	74724.00
5	Gross Domestic Saving* ((Rs.)	60114.00	56538.00
6	Total Investment* (Rs.)	99497.00	101130.00
7	Total Consumption *	350080.00	371495.00
8	Foreign Trade** (Rs.)	114253.40	104775.00
	a. Import** (Rs.)	76352.80	69841.20
	b. Export** (Rs.)	3790.60	34933.80
9	Total Fixed Capital Formation (Percentage Growth)	6.40	7.90
	a. Fixed Capital Formation in Private Sector	(0.30)	12.30
	b. Fixed Capital Formation in Public Sector	18.40	1.30

\* Producers' Current Price    \*\* Upto the end of Falgun    ♦ Revised Estimate    ♦♦ Preliminary Estimate

The fixed capital formation in this fiscal year is estimated to increase as compared to that of the last fiscal year. The major contributor is being the positive change in the fixed capital formation of the private sector. The ratio of fixed capital formation to the GDP in the fiscal year 2001/02 has marginally increased to 19.7 from that of 19 of the fiscal year 2000/01. Likewise, the ratio of fixed capital formation of the public sector to the GDP has decreased to 7.4 in the fiscal year 2001/02 from 7.6 of the fiscal year 2000/01. whereas ratio of fixed capital formation of the private sector to the GDP has increased to 12.3 from 11.4 in the same period.

Among the monetary indices, the flow of banking loan to HMG/N has estimated to increase by 29.9 per cent as compared to the mid March of the year 2000 and reached to Rs. 49634.60 million in the mid March of the year 2001. Likewise, it is also estimated that the flow of banking loan to private sector has also increased by 9.5 per cent and reached to Rs. 132891.20 million in the mid March of the year 2001.

## **2. SECURITIES BOARD**

### **2.1 Introduction**

Securities Board, Nepal (SEBO) was established on 26 May, 1993 under the provision of the Securities Exchange Act, 1983 (first amendment). It was established with the objective of promoting and protecting the interest of investors by regulating the securities market. Besides the regulatory role, it is also responsible for the development of securities market in the country.

A Board composed of seven members including a Chairman governs SEBO. The Board is represented by institutions from the Government as well as private sector. The Chairman of SEBO is appointed by HMG/N for the tenure of four years. It is the Government's prerogative to re-appoint the Chairman. Other members of the Board include representatives one each from Ministry of Finance, Ministry of Law, Justice and Parliamentary Affairs, Ministry of Industries, Commerce and Supplies, Nepal Rastra Bank (the central bank), Federation of Nepalese Chambers of Commerce and Industries and Nepal Chartered Accountants' Association.

### **2.2 General Objectives**

- To promote and protect the interest of general investors.
- To supervise and monitor the activities of the stock exchange and other related firms carrying on securities business.
- To render contribution to the development of capital market by making securities transactions fair, healthy, efficient and responsible.

### **2.3 Functions**

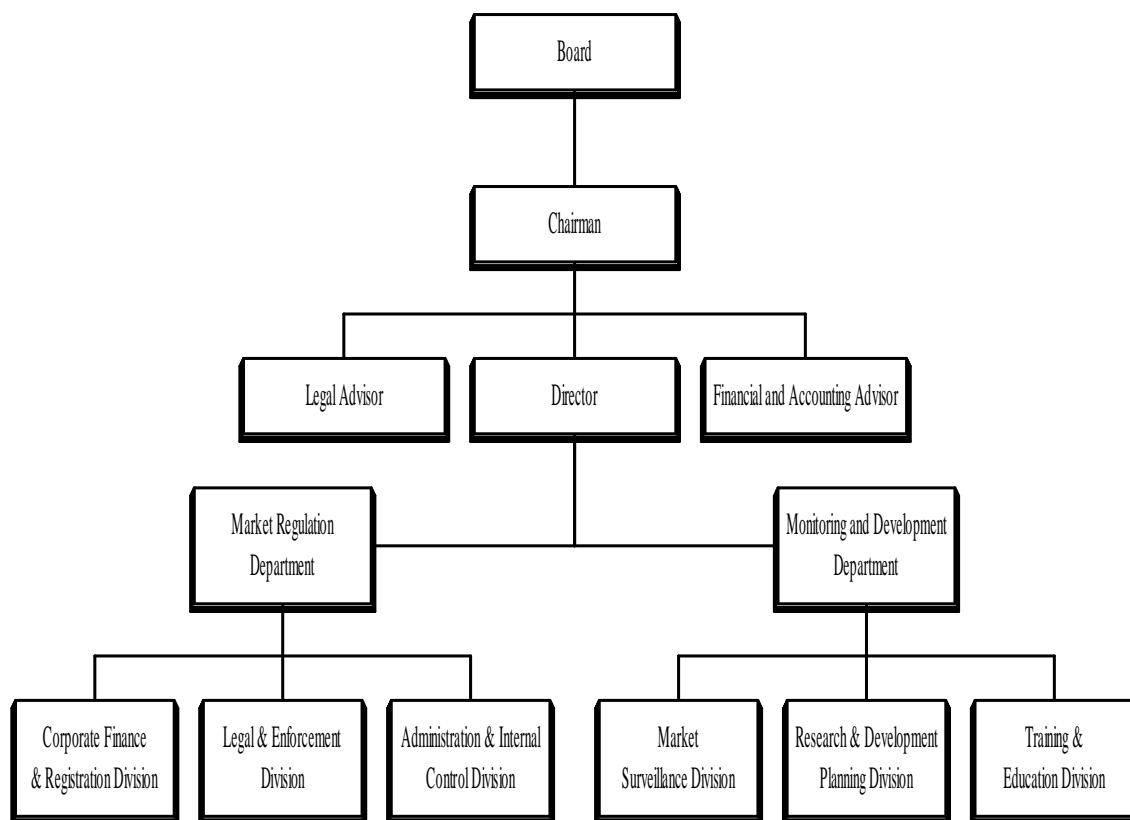
- To advise HMG on the issues related to development of capital market and the protection of the investors' interest.
- To approve stock exchanges for the operation and oversee them for healthy trading of securities.
- To register and regulate market intermediaries involved in the primary issues as well as in the secondary trading of securities.
- To regulate public issues of securities including the mutual and trust funds.
- To monitor and supervise the securities transactions.
- To conduct research and studies in the areas of capital market.
- To conduct conferences, workshops, and seminars and participate in such programs conducted at regional or international level and join the forum and exchange with outside regulators.

## 2.4 Organization

SEBO's organizational structure has two department and six divisions. The Chairman of SEBO is the executive head of the organization and Director under him coordinates and supervises the working of the two departments as well as helps the chairman in day to day administrative functions as well as policy related issues. Each department is headed by a Deputy Director who is responsible to supervise the respective three divisions. The divisions are headed by officers.

By the end of fiscal year 2001/02, SEBO was manned altogether by 25 staffs including executives, officers, supervisory and support staffs. The detail of working personnel in SEBO is presented in appendix-1.

### Organizational Structure of SEBO



The new securities bill drafted by SEBO is in the final stage of the legislative process which will increase SEBO's responsibilities. In this context, SEBO felt the need of reviewing its organizational structure and developing a suitable one which can meet the additional responsibilities. Hence it is conducting a study in this regard.

## **2.5 Funding**

SEBO is basically relying on Government's financial assistance. In order to move towards a self-funded institution, it has created a revolving fund and made a provision to transfer some portion of annual surplus in the fund. The income generated from the fund is used to cover part of its' expenses. Income from registration of corporate securities, renewal of license of stock exchange and registration as well as renewal of the license of market intermediaries are its' other sources of funds.

Income and Expenditure Account, Balance Sheet and Cash Flow Statement of SEBO for the fiscal year 2001/02, are presented in appendix - 2.

### 3 STOCK EXCHANGE

As per the provision of the "Securities Exchange Act, 1983" and "Securities Exchange Regulation, 1993", corporate bodies willing to manage and operate market for the healthy trading of securities will first have to develop the infrastructures in matters relating to free and fair listing and trading of securities, membership to the securities businesspersons, inspection, supervision and disciplining of the members and then apply to SEBO to get license. The application should also include the memorandum, articles of association feasibility report and documents related to promoters. The memorandum and/or the articles of association should clearly state that the corporate body is a not for profit organization. SEBO, upon review of the application and the submitted documents, permits authorizing corporate bodies to manage and facilitate secondary trading of securities.

At present, Nepal Stock Exchange Ltd. (NEPSE) is the only corporate body having permission from SEBO, to run the stock exchange business in Nepal. NEPSE is owned by the HMG/N, Nepal Rastra Bank, Nepal Industrial Development Corporation and the members of NEPSE, and their ownership are 52.55 per cent, 39.72 per cent, 7.04 per cent and 0.69 per cent respectively.

As per the power conferred by the "Securities Exchange Act, 1983", "Securities Exchange Regulation, 1993" and its own memorandum and articles of association, NEPSE has formulated "Securities Listing Bye-laws, 1996" and "Membership of Stock Exchange and Transaction Bye-laws, 1998" to regulate listing and trading of securities.

#### 3.1 Listing of Securities

The present system is that the securities issued to the public should be listed in stock exchange within 45 days after the allotment date. In this fiscal year, five new companies listed their shares amounting to Rs. 854.00 million.

*Table 3: New companies listing securities*

S.N.	Name of Company	Type of Securities	Amount (Rs in Million)	Listing Date
1	Nepal Development Bank Ltd.	Ordinary Share	144.00	2001/12/31
2	Development Credit Bank Ltd.	Ordinary Share	160.00	2002/06/13
3	Nepal Bangladesh Finance & Leasing Co. Ltd.	Ordinary Share	30.00	2001/10/12
4	Alpic Everest Finance Ltd.	Ordinary Share	20.00	2001/10/12
5	Oriental Hotels Ltd.	Ordinary Share	500.00	2001/08/23
<b>Total</b>			<b>854.00</b>	

Besides, 15 existing listed companies have also listed further issue of securities in the form of rights share, bonus share and ordinary share amounting to Rs. 929.05 million. The detail of which is given in table 4.

**Table 4: Listing of further issues of securities**

S.N.	Name of Company	Type of Securities	Amount (Rs in Million)	Listing Date
<b>Bank</b>			<b>800.73</b>	
1	Nepal Investment Bank Ltd.	Bonus Share	34.63	2001/09/11
2	Nepal SBI Bank Ltd.	Bonus Share	24.00	2001/09/11
3	Himalayan Bank Ltd.	Bonus Share	60.00	2001/10/02
4	Nepal Bangladesh Bank Ltd.	Bonus Share	120.00	2001/11/19
5	Everest Bank Ltd.	Bonus Share	24.00	2001/11/30
6	Everest Bank Ltd.	Rights Share	119.21	2001/12/31
7	Nabil Bank Ltd.	Bonus Share	98.86	2002/04/01
8	Bank of Kathmandu Ltd.	Rights Share	230.03	2002/05/02
9	Himalayan Bank Ltd.	Bonus Share	90.00	2002/07/16
<b>Finance Company</b>			<b>106.58</b>	
1	Narayani Finance Ltd.	Rights Share	12.58	2001/09/11
2	Nepal Housing & Merchant Finance Ltd.	Rights Share	15.00	2001/11/20
3	Nepal Finance & Saving Co. Ltd.	Bonus Share	10.00	2002/07/16
4	Union Finance Co. Ltd.	Ordinary Share	24.00	2002/07/16
5	Ace Finance Ltd.	Rights Share	45.00	2002/07/16
<b>Hotel</b>			<b>21.74</b>	
1	Soaltee Hotel Ltd.	Bonus Share	21.74	2002/05/02
<b>Total</b>			<b>929.05</b>	

The total amount of securities listed in NEPSE in this fiscal year amounted to Rs. 1783.05 million. The listed securities include ordinary share of Rs. 878.00 million, rights share of Rs. 421.82 million and bonus share of Rs. 483.23 million.

### 3.2 Dealing Suspension

There is provision that NEPSE can suspend the dealing of securities of the listed companies in case of non-compliance to its bye-laws. In this fiscal year, NEPSE suspended the dealing of 43 listed companies because of non payment of annual listing fees within the prescribed time.

**Table 5: Dealing suspension**

S.N.	Sector	Number
1	Manufacturing and Processing Company	23
2	Trading Company	18
3	Other	2
<b>Total</b>		<b>43</b>

### 3.3 De-listing of Securities

NEPSE de-listed the securities of 25 companies, out of which 10 are manufacturing and processing companies, 14 trading companies and one mining company. Total paid-up value of the de-listed securities was Rs. 261.62 million. These companies were de-listed due to non-disclosure of their annual reports and financial statements for the last two years and non-payment of annual listing fees. After the de-listing of the companies, total number of listed companies in NEPSE is 96. The detail on the de-listing of securities is given in table 6.

**Table 6: De-listing of securities**

S.N.	Name of the Company	Number of listed Share	Paid up value per Share (Rs)	Total Paid up value (Rs. in million)
<b>Manufacturing and Processing Company</b>		<b>1394138</b>		<b>135.21</b>
1	Balaju Yantrasala Sanitation E. Ltd.	5200	100	0.52
2	Kathmandu Puroti Udhog Ltd.	12000	100	1.20
3	Pokhara Puroti Udhog Ltd.	7602	100	0.76
4	Hetauda Leather Factory Ltd.	140661	100	14.07
5	The Juddha Match Factory (Birgung) Ltd.	70000	40	2.80
6	Balaju Yantra Shala Electro Ltd.	3800	100	0.38
7	Indreni Soyabean Udhog Ltd.	367720	100	36.77
8	Raw Leather Collection Development	43231	100	4.32
9	Gandaki Brick Factory Ltd.	143924	100	14.39
10	Agro Nepal Ltd.*	600000	100	60.00
<b>Trading Company</b>		<b>457854</b>		<b>42.13</b>
1	Nepal Jugal Wool Public Ltd.	10000	70	0.70
2	Nepal Trade Temple Ltd.	16000	100	1.60
3	Everest wool Ltd.	25000	100	2.50
4	White Everest Byapar Co. Ltd.	30000	100	3.00
5	Nepal Wool Import & Supply Co. Ltd.	100000	100	10.00
6	Nepal Everest Co. Ltd.	50000	100	5.00
7	Intrade Nepal Ltd.	45000	100	4.50
8	Greenhill Trading Co. Ltd.	25000	100	2.50
9	Nepal Progressive Trading Co. Ltd.	44663	100	4.47
10	Kasthamandap Trading Co. Ltd.	30000	75	2.25
11	Lumbini Trading Co. Ltd.	17236	100	1.73
12	Himalayan Trading Co. Ltd.	20000	50	1.00
13	Nepal Unique Trading Co. Ltd.	19955	100	2.00
14	Ram Janaki Trading Co. Ltd.	25000	35	0.88
<b>Other Company</b>		<b>8428250</b>		<b>84.28</b>
1.	Nepal Metal Co. Ltd.	8428250	10	84.28
<b>Total</b>		<b>10280242</b>		<b>261.62</b>

\* 5<sup>th</sup> AGM of the company held on 1999/01/30 passed the resolution to liquidate the Company.

### 3.4 Categorization of Listed Companies

Out of 96 listed companies, NEPSE classified 31 companies (32.29 per cent) including 8 banks, 14 finance companies, 7 insurance companies, one hotel and one manufacturing and processing company under group "A" and the rest under group "B", as per the provision of "Securities Listing Bye-laws, 1996".

**Table 7: Listed Companies Under Group "A"**

<b>Bank</b>			
1	Nabil Bank Ltd.	5	Nepal SBI Bank Ltd.
2	Nepal Investment Bank Ltd.*	6	Nepal Bangladesh Bank Ltd.
3	Standard Chartered Bank Nepal Ltd.	7	Everest Bank Ltd.
4	Himlayan Bank Ltd.	8	Bank of Kathmandu Ltd.
<b>Finance Company</b>			
1	National Finance Co. Ltd.	8	NIDC Capital Markets Ltd.
2	Kathmandu Finance Co. Ltd.	9	Universal Finance & Capital Markets Ltd.
3	Citizen Investment Trust	10	Goodwill Finance & Investment Co. Ltd.
4	Nepal Awash Bikash Bitta Co. Ltd.	11	Lumbini Finance & Leasing Co. Ltd.
5	HISEF Finance Co. Ltd.	12	Nepal Merchant Banking & Finance Co. Ltd.
6	Mahalaxmi Finance Co. Ltd.	13	Annapurna Finance Co. Ltd.
7	Pashchimanchal Finance Co. Ltd.	14	Narayani Finance Co. Ltd.
<b>Insurance Company</b>			
1	National Life & General Insurance Co. Ltd.	5	Neco Insurance Ltd.
2	Himalayan General Insurance Co. Ltd.	6	Alliance Insurance Co. Ltd.
3	Premier Insurance Co. (Nepal) Ltd.	7	Everest Insurance Co. Ltd.
4	United Insurance Co. Ltd.		
<b>Hotel</b>		<b>Manufacturing &amp; Processing Company</b>	
1	Soaltee Hotel Ltd.	1	Nepal Lever Ltd.

\* Changed name of Nepal Indosuez Bank Ltd.

#### **Criteria for Selecting a Company Under Group "A"**

- A company should have a record of profit for last three years.
- The book value of share should be greater than its paid up value.
- A company should have submitted its financial statement to NEPSE within six months after the expiry of fiscal year.
- Paid up capital of a company should not be less than Rs. 20 million.
- The number of shareholders should be at least 1000.
- Securities should have been issued in the proportion as mentioned in the Securities Listing Bye-Laws, 1996.

### 3.5 Information Disclosure

The financial statements of the listed companies have been put in the web site of NEPSE (www.nepalstock.com) for the information of general investors. The share trading reports are published in daily, weekly, monthly and annual basis. As per the provision of the existing laws, the price sensitive information of the listed companies is placed on NEPSE's notice board.

## 4. SECURITIES BUSINESSPERSON

As per the provision of the "Securities Exchange Act, 1983" and the legislation made there under, corporate bodies interested in working as a securities businessperson should register with SEBO to obtain the certificate of securities businessperson and then obtain the membership of stock exchange. They should renew the certificate obtained from SEBO before the expiry of a fiscal year. At present, Issue Managers, Stock Brokers, Securities Dealer and the Market Maker are working as securities businesspersons. The list of registered securities businessperson is given in appendix 7.

### 4.1 Issue Manager:

Issue managers in the primary market carry out all the functions related to public issuance of securities on behalf of the issuing company.

Presently, there are 10 registered issue managers in the market. Among them, only four were involved in the issue management activities in this fiscal year and the detail of which is presented in table 8.

*Table 8: Issue management*

S.N.	Issue manager	Number of issue managed	Amount (Rs. in million)
1	Nepal Merchant Banking & Finance Ltd.	5	769.87
2	NIDC Capital Markets Ltd.	3	431.46
3	Nepal Share Markets Co. Ltd.	3	200.00
4	Citizen Invest Trust	1	40.00
<b>Total</b>		<b>12</b>	<b>1441.33</b>

### 4.2 Stock Broker:

Stock brokers buy and sale the shares of listed companies on behalf of the investors. They can neither buy nor sale the securities directly in their own name. At present there are 27 registered stock brokers.

In this fiscal year, all 27 stock brokers were involved in securities trading, of which, Arun Securities Pvt. Ltd. had the highest amount of transaction worth Rs. 1288.95 million and

Khandelwal Stock Broking Company Ltd. had the lowest amount of transaction worth only Rs. 0.016 million. The broker wise securities transaction in this fiscal year is given in table 9.

**Table 9: Brokerwise transaction**

S.N.	Name of Stock Broker	Deposit * (Rs.)	Total Number of Transaction	Total Trading Amount (Rs. in Lakhs)
1	Arun Securities (Pvt.) Ltd.	425000	1770	12889.49
2	Market Securities & Exchange (Pvt.) Ltd.	300000	2534	3891.31
3	Primo Securities (Pvt.) Ltd.	1550500	4567	2503.92
4	Agrawal Securities (Pvt.) Ltd.	4125000	6311	2096.45
5	J.F. Securities Co. (Pvt.) Ltd.	1650000	4675	1304.36
6	Nepal Stock House (Pvt.) Ltd.	425000	6184	1002.27
7	Kumari Securities (Pvt.) Ltd.	525000	5047	887.31
8	Siprabi Securities (Pvt.) Ltd.	425000	7042	825.40
9	Premier Securities (Pvt.) Ltd.	550000	3564	807.17
10	Sweta Securities (Pvt.) Ltd.	425000	9051	757.25
11	Shivsakti Stock & Investment (Pvt.) Ltd.	100000	2594	740.39
12	Shree Krishna Securities Ltd.	1027000	5122	668.80
13	Nepal Investment & Securities Trading (Pvt.) Ltd.	105000	1546	613.15
14	Asian Securities (Pvt.) Ltd.	225000	2456	525.39
15	Sipla Securities (Pvt.) Ltd.	1025000	2842	503.04
16	Opal Securities (Pvt.) Ltd.	100400	881	482.24
17	Asutosh Brokerage Securities (Pvt.) Ltd.	525000	2474	474.75
18	Malla & Malla Stock Broking Co. (Pvt.) Ltd.	325000	1379	421.58
19	Sagarmatha Securities (Pvt.) Ltd.	389000	3486	405.59
20	Midas Stock Broking Co. (Pvt.) Ltd.	325000	1669	350.09
21	Yeti Securities Ltd.	225000	2329	340.26
22	Nikhil Securities (Pvt.) Ltd.	425000	2159	334.34
23	Annapurna Securities Service (Pvt.) Ltd.	125000	1760	304.36
24	Trishul Securities & Investment Ltd.	100000	1480	156.74
25	Pragyan Securities (Pvt.) Ltd.	150000	838	149.72
26	Om Securities & Allied Services (Pvt.) Ltd.	215000	1227	140.06
27	Khandelwal Stock Broking Co. (Pvt.) Ltd.	125000	3	0.16
<b>Total</b>		<b>16911000</b>	<b>84990</b>	<b>33575.61**</b>

\*\* Includes buying and Selling amount.

Source: NEPSE

\* Outstanding deposit of the stock brokers in NEPSE as at the end of the fiscal year 2001/02

### **4.3 Securities Dealer:**

A securities dealer purchases the securities issued in the primary market and sells in the stock exchange and carries out the transaction of securities through a broker on customer's name or its own name. At present, Nepal Sri Lanka Merchant Bank Ltd. and United Finance Ltd. are licensed as a securities dealer.

The United Finance Ltd. has reported SEBO that it did not carry out any transaction during the year.

### **4.4 Market Maker:**

With the objectives of providing stability in the market price of the listed securities, prevailing securities legislation has made provision of the market maker. Nepal Share Markets Company Ltd. was the only registered market maker during the year. But this company has not renewed its license for the next year.

## 5. SECURITIES MARKET

### 5.1 Primary Market

The public issue activities through the primary market are regulated by the "Securities Exchange Act, 1983" and the regulation and guidelines made under the act as well as the "Companies Act, 1997". The related regulations and guidelines are "Securities Exchange Regulation, 1993", "Securities Registration and Issue Approval Guidelines, 2000", "Issue Management Guidelines, 1997", "Bonus Share Issue Guidelines, 2002" and "Securities Allotment Guidelines, 1997". Similarly, with the objective of providing the public issuance related services to the issuing companies in a professional manner, a mandatory provision has been made that the issuing company must take the services of issue manager registered in SEBO.

#### 5.1.1 Prospectus Review

For the new issue of securities, the issuing company should first prepare the prospectus as prescribed by the "Companies Act, 1997" and get approval from the Ministry of Industry, Commerce and Supplies, Company Registrars' Office (CRO). CRO has been co-ordinating with SEBO and taking comments in the process of approving the prospectus. During this fiscal year, SEBO has reviewed such prospectuses of 23 companies (table 10) and provided comments to the CRO.

*Table 10: Prospectus Review*

S.N.	Name of Company	Type of Securities	Amount (Rs.)
<b>Bank</b>			<b>1319154900</b>
1	Development Credit Bank Ltd.	Ordinary Share	4,80,00,000
2	Nirdhan Utthan Bank Ltd.	Ordinary Share	3300000
3	Kumari Bank Ltd.	Ordinary Share	150000000
4	Nepal Bank of Ceylon Ltd.	Ordinary Share	150000000
5	Nepal SBI Bank Ltd.	Rights Share	287870400
6	Everest Bank Ltd.	Rights Share	150000000
7	Himalayan Bank Ltd.	Debenture	360000000
8	Nepal Investment Bank Ltd.	Rights Share	57239500
<b>Finance Company</b>			<b>223000000</b>
1	Nepal Srilanka Merchant Bank Ltd.	Ordinary Share	40000000

S.N.	Name of Company	Type of Securities	Amount (Rs.)
2	Gorkha Finance Ltd.	Ordinary Share	10000000
3	Standard Finance Ltd.	Ordinary Share	24000000
4	International Leasing & Finance Co. Ltd.	Ordinary Share	30000000
5	Shree Investment & Finance Co. Ltd.	Ordinary Share	16000000
6	United Finance Ltd.	Ordinary Share	24000000
7	Nepal Housing & Merchant Finance Ltd.	Rights Share	15000000
8	NIDC Capital Markets Ltd.	Rights Share	40000000
9	Central Finance Co. Ltd.	Ordinary Share	8000000
10	Janaki Finance Co. Ltd.	Ordinary Share	8000000
11	Navadurga Finance Co. Ltd.	Ordinary Share	8000000
<b>Insurance Company</b>			<b>120000000</b>
1	N.B. Insurance Co. Ltd.	Ordinary Share	20000000
2	Nepal Life Insurance Co. Ltd.	Ordinary Share	50000000
3	Life Insurance Corporation (Nepal) Ltd.	Ordinary Share	50000000
<b>Hotel</b>			<b>135000000</b>
1	The Blue Star Hotel Ltd.	Debenture	135000000
<b>Total</b>			<b>1684409900</b>

### 5.1.2 Issue Approval

As per the provision of "Securities Exchange Act, 1983" and the regulations and guidelines made there under, the issuing company should register the securities in SEBO and get issue approval before going to the public. During the process, SEBO reviews the prospectus and other relevant documents submitted by the company to see whether these documents fulfil the criteria prescribed by the existing rules and regulations. In the process, SEBO has also been taking the comments of the experts as and when it deems necessary.

In this fiscal year, SEBO registered the securities of 16 companies and granted issue approval amounting to Rs. 1416.63 million. The amount of issue approved in this fiscal year is 123.34 per cent higher than that of last fiscal year. In this fiscal year, companies' from banking sector had the highest issue approval. From this sector six companies share amounting to Rs. 989.17 million were registered and granted issue approval. This amount is 69.83 per cent of the total approved amount. The detail on the issue approval is presented in table 11.

**Table 11: Public Issue approval**

S.N.	Name of company	Type of Securities	Approval Date	Amount (Rs. in million)	Issue manager
<b>Bank</b>				<b>989.17</b>	
1	Development Credit Bank Ltd.	Ordinary Share	2002/01/02	48.00	NMB
2	Nepal SBI Bank Ltd.	Rights Share	2002/01/15	287.87	NMB
3	Nepal Bank of Ceylon Ltd.	Ordinary Share	2002/03/25	150.00	NCML, CIT, SMB
4	Himalayan Bank Ltd.	Debenture	2002/03/25	360.00	NMB
5	Nirdhan Utthan Bank Ltd.	Ordinary Share	2002/06/04	3.30	CIT
6	Everest Bank Ltd.	Preference Share	2002/06/18	140.00	NSML
<b>Finance Company</b>				<b>204.00</b>	
1	Nepal Housing & Merchant Finance Ltd.	Rights Share	2001/11/20	15.00	NSML
2	Union Finance Co. Ltd.	Ordinary Share	2001/12/20	24.00	NCML
3	Ace Finance Ltd.	Rights Share	2002/01/02	45.00	NSML
4	NIDC Capital Markets Ltd.	Rights Share	2002/03/18	40.00	CIT
5	United Finance Ltd.	Ordinary Share	2002/05/08	24.00	NMB
6	International Leasing & Finance Co. Ltd.	Ordinary Share	2002/06/26	30.00	NMB
7	Gorkha Finance Ltd.	Ordinary Share	2002/07/05	10.00	NSML
8	Shree Investment and Finance Co. Ltd.	Ordinary Share	2002/07/16	16.00	CIT
<b>Insurance Company</b>				<b>50.00</b>	
1	Nepal Life Insurance Co. Ltd.	Ordinary Share	2002/06/07	50.00	NMB
<b>Manufacturing &amp; Processing Company</b>				<b>173.46</b>	
1	Himalayan Distillery Ltd.	Ordinary Share	2001/08/10	173.46	NCML
<b>Total</b>				<b>1416.63</b>	

Note: NMB Nepal Merchant Banking and Finance Co. Ltd. NCML NIDC Capital Markets Ltd.  
 CIT Citizen Investment Trust SMB Nepal Sri Lanka Merchant Bank and Finance Ltd.  
 NSML Nepal Share Markets and Finance Ltd.

From the fiscal year 1993/94 to 2001/02, SEBO has approved 97 issues of securities amounting to Rs. 4532.89 million. The detail of issue approval granted by SEBO during the period is given in appendix 3.

### 5.1.3 Public Issue

"Securities Registration and Issue Approval Guidelines, 2000" has made provision that a company must float its share to the public within two months from the date of getting approval from SEBO. As per this provision, 12 companies issued securities amounting to Rs. 1441.33 million in this fiscal year. This amount is 5.7 times higher than that of last years' amount Rs. 252.90 million. The issuing companies in this fiscal year comprise of five banks, five finance companies, one insurance company and one manufacturing and processing company. The detail of the public issue is presented in table 12.

**Table 12: Public Issue**

S.N.	Name of company	Type of Securities	Issue Date	Amount (Rs. in million)	Issue Manager
<b>Bank</b>				<b>1069.87</b>	
1	Bank of Kathmandu Ltd.	Rights Share	2001/07/30	234.00	NCML
2	Development Credit Bank Ltd.	Ordinary Share	2002/01/23	48.00	NMB
3	Nepal SBI Bank Ltd.	Rights Share	2002/03/25	287.87	NMB
4	Himalayan Bank Ltd.	Debenture	2002/06/18	360.00	NMB
5	Everest Bank Ltd.	Preference Share	2002/06/28	140.00	NSML
<b>Finance Company</b>				<b>148.00</b>	
1	Nepal Housing & Merchant Finance Ltd.	Rights Share	2002/01/07	15.00	NSML
2	Union Finance Co. Ltd.	Ordinary Share	2002/01/15	24.00	NCML
3	Ace Finance Ltd.	Rights Share	2002/01/25	45.00	NSML
4	NIDC Capital Markets Ltd.	Rights Share	2002/04/08	40.00	CIT
5	United Finance Ltd.	Ordinary Share	2002/05/30	24.00	NMB
<b>Insurance Company</b>				<b>50.00</b>	
1	Nepal Life Insurance Co. Ltd.	Ordinary Share	2002/06/24	50.00	NMB
<b>Manufacturing &amp; Processing Company</b>				<b>173.46</b>	
1	Himalayan Distillery Ltd.	Ordinary Share	2001/09/13	173.46	NCML
<b>Total</b>				<b>1441.33</b>	

The securities issued to the public in this fiscal year are ordinary share, rights share, preference share and debenture. Most of the securities issued in this fiscal year were oversubscribed. The highest subscription was noted in case of a bank, oversubscribed by 14.01 times.

**Table 13: Types of securities issued to the public**

S.N.	Type of Securities	Number of Issue	Amount of Issue (Rs. in million)	Per cent
1	Ordinary Share	5	319.46	22.16
2	Rights Share	5	621.87	43.15
3	Preference Share	1	140.00	9.71
4	Debenture	1	360.00	24.98
<b>Total</b>		12	1441.33	100.00

### 5.1.4 Underwriting of Securities

The "Securities Registration and Issue Approval Guidelines, 2000" has made a mandatory provision for those companies carrying out tourism, transport, trading and manufacturing related business, to get the ordinary shares being issued to be underwritten from the registered securities businesspersons, in case of not making loan arrangement equivalent to at least 50 per cent of its net worth from financial institutions or banks. In this fiscal year, Development Credit Bank Ltd., Nepal Life Insurance Company Ltd. and Himalayan Distillery Ltd. got their securities underwritten. Problems like not paying the underwriting amount to the issuing company by the underwriters surfaced in this fiscal year. SEBO felt the need of building a sound legal and regulatory infrastructure to curb this type of problem and hereby build the confidence of the issuing companies, underwriters and the market as a whole.

## 5.2 Secondary Market

### 5.2.1 Listed Companies

At the end of this fiscal year, there are altogether 96 companies listed in NEPSE. The number of listed companies in different sector is given in table 14.

*Table 14: Number of listed companies under different sector*

S.N.	Sector	No. of listed Companies	Per cent
1	Bank	12	12.50
2	Finance Company	30	31.25
3	Insurance Company	11	11.46
4	Hotel	4	4.17
5	Manufacturing & Processing Company	28	29.17
6	Trading Company	8	8.33
7	Other	3	3.12
<b>Total</b>		<b>96</b>	<b>100.00</b>

### 5.2.2 Paid-up Value

By the end of this fiscal year, the paid up value of listed securities increased by 18.61 per cent and reached to Rs 9685.04 million. The paid-up value at the end of the previous fiscal year was Rs. 8165.25 million. Among all the sectors, banking sector has covered 42.36 per cent of total paid-up value. Paid-up value of listed securities from different sector is given in table 15.

**Table 15: Paid-up value**

S.N.	Sector	Paid-up Value (Rs in million)	Per cent
1	Bank	4102.47	42.36
2	Finance Company	856.31	8.84
3	Insurance Company	531.66	5.49
4	Hotel	1552.88	16.03
5	Manufacturing & Processing Company	2333.48	24.10
6	Trading Company	76.64	0.79
7	Other	231.60	2.39
<b>Total</b>		<b>9685.04</b>	<b>100.00</b>

### 5.2.3 Market Capitalization

The market capitalization of listed securities at the end of this fiscal year is Rs. 34703.87 million decreased by 25.13 per cent from the last fiscal years' Rs. 46349.41 million.

The market capitalization of banking sector is the highest among all the other sectors and its percentage on the total market capitalization is 64.25 per cent. The market capitalization of different sector is presented in the table 16.

**Table 16: Market capitalization**

S.N.	Sector	Market Capitalization (Rs in million)	Per cent
1	Bank	22298.51	64.25
2	Finance Company	2326.63	6.70
3	Insurance Company	2001.92	5.77
4	Hotel	2807.74	8.09
5	Manufacturing & Processing Company	4634.47	13.36
6	Trading Company	527.48	1.52
7	Other	107.12	0.31
<b>Total</b>		<b>34703.87</b>	<b>100.00</b>

The percentage contribution of market capitalization on GDP is estimated to be 8.45 by the end of this fiscal year and the revised estimate of the previous fiscal year was 11.78. During this fiscal year, highest amount of market capitalization was Rs. 46858.09 million and the lowest was Rs. 28302.51 million.

### 5.2.4 Annual Turnover:

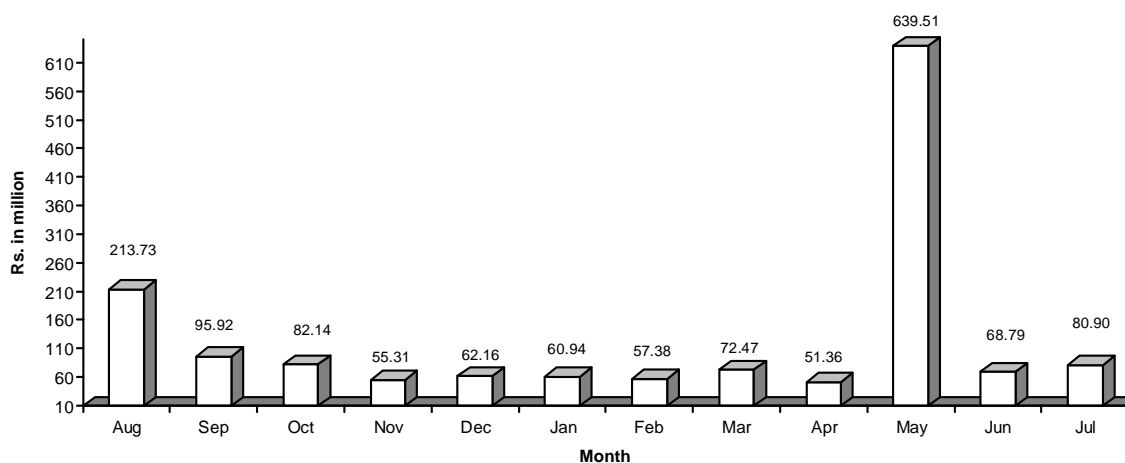
The total amount of securities traded in this fiscal year is Rs. 1540.63 million, decreased by 34.28 per cent from the last years' trading Rs. 2344.16 million. Out of the total amount of securities traded in this fiscal year, the banking sector covers 76.26 per cent. The sector wise trading of the securities is given in table 17.

**Table 17: Annual Turnover**

S.N.	Sector	Annual Turnover (Rs in Million)	Per cent
1	Bank	1174.89	76.26
2	Finance Company	170.60	11.07
3	Insurance Company	28.45	1.85
4	Hotel	138.44	8.98
5	Manufacturing & Processing Company	21.44	1.39
6	Trading Company	4.25	0.28
7	Other	2.56	0.17
<b>Total</b>		<b>1540.63</b>	<b>100.00</b>

In this fiscal year the percentage turnover to market capitalization is 4.44 per cent, while that of the last year was 5.06 per cent. The number of traded companies in this fiscal year is 69, which was 67 in the previous fiscal year. Monthly trading of the securities in this fiscal year is presented in chart 1.

**Chart 1: Monthly turnover**  
(Fiscal Year 2001/02)

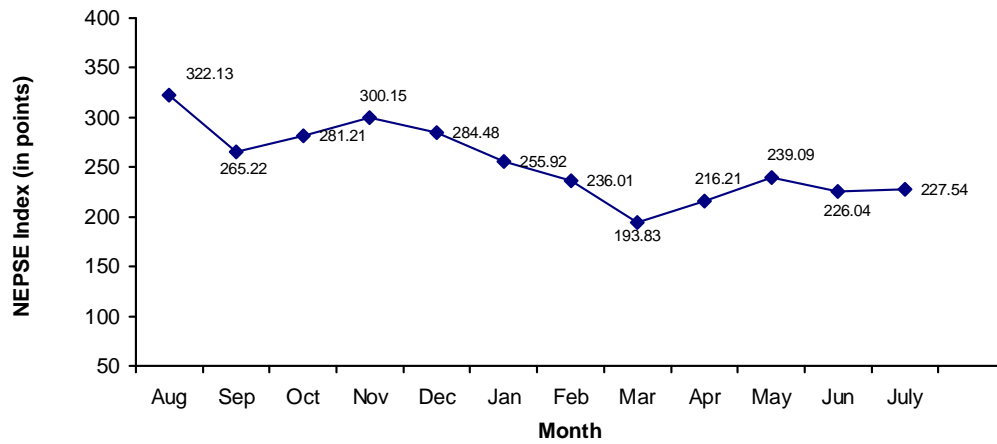


*Note: The sudden rise of turnover in May is due to the block share transaction of a commercial bank.*

### 5.2.5 NEPSE Index:

By the end of this fiscal year, NEPSE index decreased by 120.89 points to close at 227.54 points. NEPSE index at the end of the last fiscal year was 348.43 points. During this fiscal year, the highest point of NEPSE index was 352.25 recorded on 16 July 2001 while the lowest point was 186.22 recorded on 15 March, 2002. The trend of NEPSE index is presented in chart 2.

**Chart 2: Monthly NEPSE Index  
Fiscal Year 2001/02**



## 6. COLLECTIVE INVESTMENT SCHEME

Collective investment schemes play great role to bring dynamism in the securities market and to stabilize the market price of securities. It helps to mobilize the savings of naive and risk averse type of investors. To operate such type of investment scheme, a corporate body should get approval from SEBO. Till now, SEBO has approved two collective investment schemes, NCM Mutual Fund, 1993 and Citizen Unit Scheme, 1994.

### 6.1 Citizen Unit Scheme

SEBO had permitted Citizen Investment Trust (CIT) to operate the Citizen Unit Scheme in the fiscal year 1994/95. The objective of the scheme is to collect the capital from the small and medium savers to make investment in a professional and efficient way and distribute the returns earned thereon. This is an open-ended scheme with the face value of Rs. 100.00 per unit, and provides regular income to the unit-holders in the form of dividend. CIT itself has been performing the function of selling and purchasing the unit of the scheme.

CIT has been regularly reporting SEBO on the performance of the scheme. As reported by CIT, in the fiscal year 2000/01 it had sold additional units amounting to Rs. 149.4 million and the total amount of the scheme had reached to Rs. 336.8 million. In comparison to the fiscal year 1999/00, the sales in the unit had increased by 80 per cent in the fiscal year 2000/01. Upto the mid July of the year 2001, CIT had also provided the repurchasing facility of the units amounting to Rs. 116.0 million to 3501 participants out of its 6269 participants. It distributed 9 per cent dividend to the unit-holders in fiscal year 2000/01.

*Table 18: Performance of Citizen Unit Scheme*

S.N.	Particulars	Fiscal Year			
		1996/97	1997/98	1998/99	1999/00
1	Total amount of units sold (Rs. in million)	17.44	54.46	187.37	336.8
2	Total amount of units repurchased (Rs. in million)	2.00	11.99	44.12	116.00
3	Investment (Rs. in million)	15.89	36.21	143.88	-
4	Net Income (Rs. in million)	1.70	4.79	16.71	-
5	Net income per unit (Rs.)	12.59	13.94	14.66	-
6	Dividend (%)	11	11	11	9
7	Per unit price (Rs.)	100	100	100	100
8	Number of unitholders	-	2584	5499	6269

## 6.2 NCM Mutual Fund

SEBO had approved for the operation of NCM First Mutual Fund in the fiscal year 1993/94. The total amount of the mutual fund was Rs. 100.00 million. It was an open ended fund with a par value of Rs. 10 per unit. NIDC Capital Markets Ltd. was the custodian and trustee of the fund and Nepal Industrial Development Corporation was the fund manager. The scheme was listed in NEPSE. The scheme was terminated by the end of the fiscal year 2000/2001. Thereafter both the fund manager and trustee companies have been exercising in the valuation of assets of the fund and gave options to the fund holders either to refund or to participate in another new scheme.

*Table 19: Performance of NCM Mutual Fund*

S.N.	Particulars	Fiscal Year			
		1997/98	1998/99	1999/00	2000/01
1	Investment (Rs)	7,25,60,295.38	7,25,60,295.38	7,25,63,695.38	7,32,88,495.38
2	Number of invested Company	27	27	27	27
3	Net Assets Value (Rs.)	5,31,28,253.70	7,33,07,443.39	11,30,91,585.48	11,24,44,963.51
4	Net Assets Value per unit (Rs.)	10.12	13.97	21.55	21.42
5	Outstanding Units	52,50,000.00	52,50,000.00	52,50,000.00	52,50,000.00
6	Face Value (Rs.)	5,25,00,000.00	5,25,00,000.00	5,25,00,000.00	5,25,00,000.00
7	Number of unitholders	517	517	517	517

## **7. SUPERVISION AND MONITORING**

SEBO has regularly been supervising the activities of stock exchange, issuing as well as listed companies and securities businesspersons. SEBO basically focuses on the compliance by these companies to the existing securities legislation. The information required for conducting supervision and monitoring activities is obtained from the documents submitted by the companies and on-site inspection on requirement.

### **7.1 Supervision of Issuing Activities**

In the supervision and monitoring issuing activities, SEBO mainly focuses on the supervision of the information disclosure and its reliability and the allotment, refund and listing of securities.

#### **7.1.1 Reliability of Information Disclosed**

During the public issue process, issuing companies publish prospectus, share announcement documents, advertisements and other information related to the company. SEBO supervises the information disclosed to the public through these announcements and advertisements and see whether they are in line with the information provided to SEBO while obtaining the issue approval. Similarly, SEBO also supervises whether the information disclosed is genuine and gives the true picture of the company.

#### **7.1.2 Issue Management Activities**

Present guidelines of SEBO has made a provision that during the period when the public issue is open, the issuing company and the issue manager should make necessary provisions in their offices to allow the investors for studying the prospectus, memorandum and articles of association of the issuing company, certificate of issue approval granted by SEBO and other important documents. SEBO supervises whether this provision has been adhered to by the issuing companies and the issue managers. In this fiscal year, SEBO conducted on-site inspection of some issuing companies and issue managers and found some irregularities regarding the application procedure. SEBO notified all the issue managers about this issue.

#### **7.1.3 Allotment, Refund and Listing of Securities**

Along with the supervision of issuing activities, SEBO monitors whether the issuing companies allot the securities in the module prescribed by the "Securities Allotment Guidelines, 1994". SEBO also monitors whether the issuing companies refund to non-allotte and list their securities within the time prescribed by "Securities Registration and Issue Approval Guidelines, 2000".

### 7.1.4 Submission of Prescribed Information

The issue managers should submit the materials prepared for public announcement (including prospectus, announcement, advertisements etc.) and the information regarding the securities allotment, refund and securities listing to SEBO within the prescribed time. Along with the supervision on these issues, SEBO also monitor the changes in the financial and managerial aspects before listing of the securities.

## 7.2 Supervision of Stock Exchange

Regarding the supervision of stock exchange, SEBO monitors whether the activities carried out by NEPSE is in accordance to its "Membership of Stock Exchange and Transaction Bye-laws, 1998" and "Securities Listing Bye-laws, 1996". Similarly, SEBO also monitors whether NEPSE submits the prescribed information to SEBO within the prescribed time frame.

The information and reports submitted by NEPSE to SEBO in this fiscal year is presented in table 20.

**Table 20: Reporting of NEPSE**

S.N.	Submission of Reports	Received Date
1	Annual Report, 2000/01	2002/05/14
2	Minute of the 19 <sup>th</sup> Annual General Meeting	2002/09/12
3	Reports on Annual Securities Trading, 2000/01	2002/09/12
4	Reports on membership, representative and deposit	2002/09/12

Besides the above mentioned reports, SEBO has also been receiving the information on listing and de-listing of securities, suspension of securities trading, supervision of stock-brokers and sanctions imposed to them as well as daily trading reports. In this fiscal year, SEBO has conducted on-site supervision of the trading activities in NEPSE.

## 7.3 Supervision of Securities Transaction

SEBO prepares daily securities trading report and floor surveillance sheet to monitor the securities transaction and price fluctuation. SEBO makes inquiries to the stock exchange, related company and stock brokers if any irregularities are noted during the supervision.

## 7.4 Supervision of Securities Businesspersons

### 7.4.1 Issue Manager

SEBO monitors whether the issue managers submit their annual financial and transaction reports to SEBO within four months after the expiry of the fiscal year as provisioned by the "Securities Exchange Regulation, 1993". The disclosure of reports of the fiscal year 2000/01 from the issue managers is presented in table 21.

*Table 21: Reporting of Issue Managers*

S.N.	Issue manager	Date of Submission	P/L Account and Balance Sheet	Cash Flow Statement	Transaction Report
1	Nepal Share Market Co. Ltd.	2001/08/07	√	√	√
2	Ace Finance Co. Ltd.	2001/10/17	√	√	No Transaction
3	National Finance Co. Ltd.	2001/11/06	√	√	No Transaction
4	Nepal Merchant Banking & Finance Co. Ltd.	2001/11/12	√	√	√
5	NIDC Capital Market Ltd.	2001/11/12	√	√	√
6	Nepal Srilanka Merchant Bank Ltd.	2001/12/06	√ (Provisional)	√	No Transaction
7	Citizen Investment Trust		√	√	√
8	United Finance Ltd.	Not Submitted	-	-	-
9	Nepal Finance & Saving Co. Ltd.	Not Submitted	-	-	-
10	Rastriya Banijya Bank	Not Submitted	-	-	-

### 7.4.2 Stock Broker:

SEBO monitors whether the stock brokers submit their annual financial and trading reports to SEBO within four months after the expiry of the fiscal year as provisioned by the "Securities Exchange Regulation, 1993". The disclosure of reports of the fiscal year 2000/01 by the stock brokers is presented in table 22.

*Table 22: Financial and trading reports disclosure of the stock brokers*

S.N.	Name of Securities Brokers	Date of Submission	P/L Account and Balance Sheet	Cash Flow Statement	Transaction Report
1	Nepal Investment & Securities Trading (Pvt.) Ltd.	2001/09/27	√	√	√
2	Om Securities & Allied Services (Pvt.) Ltd.	2001/10/15	√	√	√
3	Nikhil Securities (Pvt.) Ltd.	2001/10/15	√		√
4	Nepal Stock House (Pvt.) Ltd.	2001/10/16	√	√	√

S.N.	Name of Securities Brokers	Date of Submission	P/L Account and Balance Sheet	Cash Flow Statement	Transaction Report
5	Arun Securities (Pvt.) Ltd.	2001/10/30	√	√	√
6	Annapurna Securities Service (Pvt.) Ltd.	2001/10/30	√	√	√
7	Midas Stock Broking Co. (Pvt.) Ltd.	2001/12/05	√	√	
8	Malla & Malla Stock Broking Co. (Pvt.) Ltd.	2001/12/05	√	√	
9	Pragyan Securities (Pvt.) Ltd.	2001/12/14	√	√	
10	Asutosh Brokerage Securities (Pvt.) Ltd.	2001/12/17	√	√	
11	Agrawal Securities (Pvt.) Ltd.	2001/12/24	√		
12	Yeti Securities Ltd.	2002/01/01	√	√	
13	Market Securities & Exchange (Pvt.) Ltd.	2002/01/03	√		
14	Sweta Securities (Pvt.) Ltd.	2002/01/07	√	√	
15	Kumari Securities (Pvt.) Ltd.	2002/01/09	√	√	
16	Khandelwal Stock Broking Co. (Pvt.) Ltd.	2002/01/09	√		
17	Sipla Securities (Pvt.) Ltd.	2002/01/09	√		
18	Shivsakti Stock & Investment (Pvt.) Ltd.	2002/01/09	√	√	
19	Trishul Securities & Investment Ltd.	2002/01/09	√	√	√
20	Premier Securities (Pvt.) Ltd.	2002/01/09	√	√	
21	Shree Krishna Securities Ltd.	2002/01/09	√	√	
22	Primo Securities (Pvt.) Ltd.	2002/01/10	√	√	
23	Siprabi Securities (Pvt.) Ltd.	2002/01/10	√	√	
24	Asian Securities (Pvt.) Ltd.	2002/01/10	√	√	
25	Opal Securities (Pvt.) Ltd.	2002/01/17	√	√	
26	J.F. Securities (Pvt.) Ltd.	2002/01/21	√	√	
27	Sagarmatha Securities (Pvt.) Ltd.	-			

### 7.4.3 Securities Dealer and Market Maker

SEBO monitors whether the securities dealer and market maker submit their annual financial and trading reports to SEBO within four months after the expiry of the fiscal year as provisioned by the "Securities Exchange Regulation, 1993". The disclosure of reports of the fiscal year 2000/01 by the securities dealer and market maker is presented in table 23.

**Table 23: Reporting of Securities Dealer and Market Maker**

S.N.	Name of Company	Date of Submission	P/L Account and Balance Sheet	Cash Flow Statement	Transaction Report
<b>Securities Dealer</b>					
1	Nepal Sri Lanka Merchant Bank Ltd.	2001/12/06	√ (Provisional)	√	-
2	United Finance Ltd.	Not Submitted	-	-	-
<b>Market Maker</b>					
1	Nepal Share Market Co. Ltd.	2001/08/07	√	√	-

## 7.5 Corporate Supervision

Regarding the supervision of corporate bodies, SEBO monitors whether the listed companies have timely disclosed the price sensitive information and annual reports, as well as address the grievances related to those companies received from the investors.

As prescribed by the existing securities legislation, listed companies should immediately disclose the price sensitive information to the stock exchange and the investors. Besides, they should submit their annual reports including profit-loss statements, balance sheet and cash flow statements within four months after the expiry of the fiscal year and half yearly reports within two months after the expiry of that period to NEPSE and SEBO. SEBO has regularly been encouraging the listed companies to comply with the provision through correspondence and publication of booklets.

Upto the end of this fiscal year, out of 96 listed companies 68 companies (70.83 per cent) from different sectors have submitted their annual reports/financial statements to SEBO.

**Table 24: Disclosure status of the listed companies**

S.N.	Sector	Total number of listed Company	Number of Company Disclosing Annual Report/Financial Statements	Per cent
1	Bank	12	10	83.33
2	Finance Company	30	28	93.33
3	Insurance Company	11	9	81.82
4	Hotel	4	2	50.00
5	Manufacturing & Processing Company	28	14	50.00
6	Trading Company	8	3	37.05
7	Other	3	2	66.67
<b>Total</b>		<b>96</b>	<b>68</b>	<b>70.83</b>

Out of the 68 companies, who have disclosed their annual reports/financial statements, only eight companies including seven finance companies and one insurance company have disclosed within the prescribed time (table 25).

**Table 25: Companies timely disclosing their annual reports/financial statements of fiscal year 2000/01**

S.N.	Name of the Company	Annual Report/Financial Statement	Date of Submission	Net Profit/Loss* (Rs. in million)
<b>Finance Company</b>				
1	Kathmandu Finance Ltd.	7 <sup>th</sup> Annual Report	2001/08/01	7.51
2	Pashchimanchal Finance Co. Ltd.	Financial Statement	2001/08/28	11.84
3	Narayani Finance Ltd.	7 <sup>th</sup> Annual Report	2001/10/11	5.84
4	Ace Finance Co. Ltd.	6 <sup>th</sup> Annual Report	2001/10/17	14.19
5	Mahalaxmi Finance Ltd.	6 <sup>th</sup> Annual Report	2001/10/21	10.96
6	Union Finance Co. Ltd.	7 <sup>th</sup> Annual Report	2001/11/05	5.27
7	National Finance Co. Ltd.	9 <sup>th</sup> Annual Report	2001/11/06	20.16
<b>Insurance Company</b>				
1	Premier Insurance Co. Ltd.	8 <sup>th</sup> Annual Report	2001/11/01	8.21

The companies disclosing their annual reports /financial statements of fiscal year 2000/01 after the expiry of prescribed time is given in table 26.

**Table 26: Disclosure of annual reports /financial statements within fiscal year 2001/02**

S.N.	Name of the Company	Annual Report/Financial Statement	Net Profit/Loss* (Rs. in million)	Date of Submission
<b>Bank</b>				
1	Bank of Kathmandu Ltd.	7 <sup>th</sup> Annual Report	65.35	2001/12/21
2	Nepal Industrial & Commercial Bank Ltd.	4 <sup>th</sup> Annual Report	48.28	2002/01/01
3	Everest Bank Ltd.	7 <sup>th</sup> Annual Report	69.71	2002/01/02
4	Standard Chartered Bank Nepal Ltd.	15 <sup>th</sup> Annual Report	430.83	2002/03/04
5	Nepal SBI Bank Ltd.	8 <sup>th</sup> Annual Report	12.49	2002/03/15
6	Nepal Bangladesh Bank Ltd.	7 <sup>th</sup> Annual Report	198.75	2002/03/21
7	Himalayan Bank Ltd.	9 <sup>th</sup> Annual Report	280.70	2002/04/22
8	Nabil Bank Ltd.	17 <sup>th</sup> Annual Report	291.38	2002/04/25
9	Nepal Investment Bank Ltd.	15 <sup>th</sup> Annual Report	56.41	2002/05/06
10	Nepal Development Bank Ltd.	3 <sup>rd</sup> Annual Report	3.06	2002/06/10
<b>Finance Company</b>				
1	Siddhartha Finance Ltd.	Financial Statement	2.94	2001/12/02
2	Nepal Housing & Merchant Finance Ltd.	7 <sup>th</sup> Annual Report	10.17	2001/12/10
3	Annapurna Finance Co. Ltd.	8 <sup>th</sup> Annual Report	14.13	2001/12/20
4	Lumbini Finance and Leasing Co. Ltd.	6 <sup>th</sup> Annual Report	14.68	2001/12/20
5	Gorkha Finance Co. Ltd.	7 <sup>th</sup> Annual Report	3.53	2001/12/24
6	Yeti Finance Co. Ltd.	7 <sup>th</sup> Annual Report	6.03	2001/12/24
7	Alpic Everest Finance Ltd.	8 <sup>th</sup> Annual Report	5.00	2001/12/25
8	Universal Finance & Capital Markets Ltd.	6 <sup>th</sup> Annual Report	8.17	2002/01/01

S.N.	Name of the Company	Annual Report/Financial Statement	Net Profit/Loss* (Rs. in million)	Date of Submission
9	Goodwill Finance and Investment Co.(Nepal) Ltd.	7 <sup>th</sup> Annual Report	3.09	2002/02/13
10	Nepal Abas Bikash Bitta Co. Ltd.	9 <sup>th</sup> Annual Report	8.49	2002/02/14
11	N.B. Finance & Leasing Co. Ltd.	3 <sup>rd</sup> Annual Report	3.83	2002/03/11
12	Peoples Finance Ltd.	5 <sup>th</sup> Annual Report	0.004	2002/03/17
13	Samjhana Finance Co. Ltd.	7 <sup>th</sup> Annual Report	1.79	2002/03/22
14	NIDC Capital Markets Ltd.	9 <sup>th</sup> Annual Report	5.19	2002/03/29
15	Nepal Merchant Banking & Finance Ltd.	6 <sup>th</sup> Annual Report	31.19	2002/04/01
16	Pokhara Finance Ltd.	5 <sup>th</sup> Annual Report	11.86	2002/04/07
17	HISEF Finance Ltd.	7 <sup>th</sup> Annual Report	13.93	2002/04/24
18	Nepal Share Markets Co. Ltd.	8 <sup>th</sup> Annual Report	0.08	2002/04/29
19	General Finance Ltd.	Financial Statement	4.17	2002/05/01
20	Lalitpur Finance Co. Ltd.	5 <sup>th</sup> Annual Report	12.04	2002/06/27
21	Citizen Investment Trust	7 <sup>th</sup> Annual Report	7.24	2002/07/05
<b>Insurance Company</b>				
1	United Insurance Co.(Nepal) Ltd.	8 <sup>th</sup> Annual Report	8.86	2001/12/17
2	Himalayan General Insurance Co. Ltd.	8 <sup>th</sup> Annual Report	9.09	2002/02/13
3	Sagarmatha Insurance Co. Ltd.	5 <sup>th</sup> Annual Report	7.27	2002/03/06
4	Everest Insurance Co. Ltd.	7 <sup>th</sup> Annual Report	18.32	2002/04/22
5	Alliance Insurance Co. Ltd.	6 <sup>th</sup> Annual Report	5.39	2002/04/23
6	NB Insurance Co. Ltd.	2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> Annual Report	0.24	2002/04/23
7	Neco Insurance Ltd.	6 <sup>th</sup> Annual Report	11.64	2002/04/29
8	National Life & General Insurance Co. Ltd.	14 <sup>th</sup> Annual Report	14.63	2002/05/15
<b>Hotel</b>				
1	Soaltee Hotel Ltd.	27 <sup>th</sup> Annual Report	21.63	10/12/2001
2	Yak & Yeti Hotel Ltd.	25 <sup>th</sup> Annual Report	33.25	23/04/2002
<b>Manufacturing and Processing Company</b>				
1	Bottlers Nepal Ltd. (Balaju)	23 <sup>rd</sup> Annual Report	35.88	2001/12/05
2	Bottlers Nepal (Terai) Ltd.	15 <sup>th</sup> Annual Report	56.26	2001/12/05
3	Gorakhkali Rubber Udhog Ltd.	Financial Statements (Prov.)	(429.57)	2001/12/11
4	Nepal Lever Ltd.	Financial Statement	68.04	2001/12/21
5	Shree Brikuti Pulp & Paper Nepal Ltd.	Financial Statements	(84.99)	2002/01/11
6	Nepal Lube Oil Ltd.	10 <sup>th</sup> Annual Report	(2.02)	2002/03/05
7	Sri Ram Sugar Mills Ltd.	7 <sup>th</sup> Annual Report	27.11	2002/04/01
8	Jyoti Spinning Mills Ltd.	12 <sup>th</sup> Annual Report	(29.90)	2002/04/08
9	Nepal Bitumen and Barrel Udhog Ltd.	13 <sup>th</sup> Annual Report	(0.72)	2002/04/23
10	Sri Raghupati Jute Mills Ltd.	4 <sup>th</sup> Annual Report	0.94	2002/04/25
11	Arun Vanaspati Udyog Ltd.	11 <sup>th</sup> Annual Report	1.39	2002/05/15
12	The Juddha Match Factory (Biratnagar) Ltd.	45 <sup>th</sup> Annual Report	1.06	2002/05/16
13	Himgiri Textile Industries Ltd.	Financial Statements	(21.69)	2002/06/09

S.N.	Name of the Company	Annual Report/Financial Statement	Net Profit/Loss* (Rs. in million)	Date of Submission
14	Fleur Himalayan Ltd.	Financial Statements	(10.10)	2002/06/24
<b>Trading Company</b>				
1	Bishal Bazar Co. Ltd.	21 <sup>st</sup> Annual Report	17.27	2001/12/13
2	Salt Trading Corporation	35 <sup>th</sup> Annual Report	10.55	2002/04/22
3	Nepal Trading Ltd.	9 <sup>th</sup> Annual Report	0.81	2002/05/01
<b>Other</b>				
1	Nepal Film Development Co. Ltd.	Financial Statements	4.91	2001/12/12
2	National Productivity and Economic Development Centre Ltd.	Financial Statements	2.73	2002/05/02
3	Necon Air Ltd.	9 <sup>th</sup> Annual Report	(243.79)	2002/05/27

Note: Figures in parenthesis indicates loss.

\*Net profit after tax

Prov. = Provisional

By the end of this fiscal year, 13 companies including two banks, two finance companies, three insurance companies, three manufacturing and processing companies, two trading companies and one other company have submitted the annual reports/financial statements of the fiscal year 1999/00 or previous fiscal year. The detail is given in table 27.

**Table 27: Disclosure of annual reports/financial statements of 1999/00 or previous Year**

S. N.	Name of Listed Company	Annual Report/Financial Statement	Fiscal Year	Date of Submission	Net Profit/Loss (Rs.in million)
<b>Bank</b>					
1	Nabil Bank Ltd.	16 <sup>th</sup> Annual Report	1999/2000	2000/10/01	329.10
2	Nepal Bank Ltd.	Financial Statement	1997/1998 1998/1999	2001/12/17 2001/12/17	15.93 (2535.39)
<b>Finance Company</b>					
1	Citizen Investment Trust	6 <sup>th</sup> Annual Report	1999/2000	2001/08/24	7.35
2	Lumbini Finance & Leasing Co. Ltd.	5 <sup>th</sup> Annual Report	1999/2000	2001/12/20	12.00
<b>Insurance Company</b>					
1	Sagarmatha Insurance Co. Ltd.	4 <sup>th</sup> Annual Report	1999/2000	2002/03/06	4.65
2	Rastriya Beema Sanstha	Financial Statement	1995/1996	2002/04/19	71.81
3	N.B. Insurance Co. Ltd.	2 <sup>nd</sup> and 3 <sup>rd</sup> Annual Report	1999/2000 2000/2001	2002/04/23 2002/04/23	-
<b>Manufacturing and Processing Company</b>					
1	Gorakhakali Rubber Udhyog Ltd.	9 <sup>th</sup> Annual Report	1999/2000	2002/03/21	(74.90)

S. N.	Name of Listed Company	Annual Report/Financial Statement	Fiscal Year	Date of Submission	Net Profit/Loss (Rs.in million)
2	Arun Vanaspati Udyog Ltd.	11 <sup>th</sup> Annual Report	1999/2000	2002/05/15	(54.08)
3	Fleur Himalayan Ltd.	Financial Statement	1999/2000	2002/06/24	(8.73)
<b>Trading Company</b>					
1	Salt Trading Co. Ltd.	35 <sup>th</sup> Annual Report	1999/2000	2002/03/22	(15.23)
2	Nepal Welfare Co. Ltd.	Financial Statement	1999/2000	2002/06/07	(0.33)
<b>Other Company</b>					
1	Nepal Film Development Co. Ltd.	Financial Statement (Provisional)	1995/1996 1996/1997 1997/1998 1998/1999 1999/2000	2001/12/05	0.53 1.97 1.31 2.42 6.88

## 7.6 Investors' Grievances

According to the investors' grievances handling system developed by SEBO, the grievances related to issuing activities, listed companies and securities trading could be resolved from the issue managers, related listed companies and stock exchange respectively. Likewise such grievances could also be resolved through the legal and enforcement division of SEBO.

In this fiscal year, SEBO received some investors' grievances. The details about addressing those grievances is given in table 28.

**Table 28: Grievances handling**

S.N.	Company	Grievance	Action
1	Everest Bank Ltd.	Non-receipt of Rights Share	Forwarded the matter to the company and found that the shareholder was not in a position to get the rights share as he had purchased the share after book closing date.
2	National Life and General Insurance Co. Ltd.	Non-receipt of Balance Sheet	SEBO directed the company to provide the Balance Sheet.
3	Nepal Merchant Banking and Finance Ltd.	Involvement of relative of the chairman in share trading against the Companies Act	The transaction had occurred as per the information provided by NEPSE and forwarded the complain to the CRO for necessary action.
4	Nepal Finance and Saving Co. Ltd.	Non-verification of the traded share	Forwarded the complaint to NEPSE for necessary action under the securities listing bye-laws.

## **8. RESEARCH AND EDUCATION**

### **8.1 Education and Training**

#### **8.1.1 Training**

Enhancement of the internal capacity is one of SEBO's main strategic issues. With this objective, SEBO staffs have been participating in the various seminar, workshop and training at national and international level. During the year, SEBO staffs have participated in the international seminars like "Tokyo Enforcement Seminar" and "Market Regulation Seminar". Likewise, some of the staffs have also participated in the national level workshop on "Format of Financial Statement Prescribed by HMG/N" organized by ICAN, and training programs including "Management Development Program", "Strategy Development Skill", "IT Conference" and "Income Tax Act, 2058".

#### **8.1.2 Publications**

##### ***Booklet on Investors Education***

SEBO distributed booklet on investors' education to the subscribers of "Gorkha Patra" the national daily newspaper. The booklet contains the various aspects of securities market and market mechanism that may be helpful to the general investors to make rational decision.

##### ***Booklet on Public Issue of Securities***

SEBO published a booklet named "Public Issue of Securities". It contains the present status of primary market, procedure for issuing securities and other related aspects. The booklet has been widely distributed to the stakeholders.

##### ***Securities Market Review***

SEBO has started publishing quarterly market review from this fiscal year. The main objective of this publication is to provide news and information on securities market and corporate affairs on quarterly basis. The review is also available in its web-site.

##### ***Annual Report***

SEBO has published the annual report of fiscal year 2000/01 and distributed it to the related individuals and institutions. The report is also available in its web-site.

### 8.1.3 Web Site

With the objective of acquainting the stakeholders with the market scenario, prevailing rules and regulations and providing necessary information online through the electronic communication system, SEBO has developed its web site and the address of the web site is <http://www.sebonp.com/>

<b><u>SEBO's Publications</u></b>	
• Compliance Status of the Listed Companies	Nepali
• Disclosure Provisions for the Listed Companies	Nepali
• Disclosure Provisions for the Securities Businesspersons	Nepali
• Provision for the Registration of Securities Businesspersons and Issue of License	Nepali
• Meeting the Challenges – Strategic Plan (1998-2002)	Nepali, English
• Role of Company Secretary- Seminar Paper	Nepali, English
• Booklet on Investors Education	Nepali
• Public Issue of Securities (Present Status, Provisions and Processes)	Nepali, English
<b><u>Regular Publication</u></b>	
• Annual Report	Nepali, English
• Securities Market Review (quarterly)	English

## 8.2 Research and Study

### 8.2.1 Research Study on 'Cost of Public Issue':

SEBO conducted a study on the cost of public issue in Nepal. The study analyses the various costs related to public offering of securities as well as the total cost for share issuance. The cost associated with the public issue was classified into underwriting cost, advertising, printing and other expenses, amount collection and refund charges and issue commission. The findings of the study are as follows:

- Cost of public issue of the new companies from financial sector is 0.34 per cent (minimum) to 24.25 per cent (maximum) of issued amount.
- Cost of public issue of the new companies from non-financial sector is 1.77 per cent (minimum) to 5.36 per cent (maximum) of issued amount.
- Collection and refund charges are highest among all the charges of the new companies from financial sector, which is 6.12 per cent (minimum) to 85.15 per cent (maximum) of total cost.

- Cost of printing and other expenses of the new companies from non-financial sector is the highest cost among all the other costs and is 11.99 per cent (minimum) to 45.69 per cent (maximum).
- Cost of rights issue is 0.30 per cent (minimum) to 2.09 per cent (maximum) and among all the costs of rights issue, cost of issue commission is the highest one.
- Cost of public issue of the new companies from financial sector as well as non-financial sector is found to have increased with the increase in amount collection. Times of subscription of the issue of financial sector is 0.44 (minimum) to 47.05 (maximum) of the issued amount while that of non-financial sector is 0.66 (minimum) to 6.28 (maximum) of the issued amount.
- Cost of public issue of the new companies in Nepal is relatively very high in comparison to that of the neighboring country India. However, in contrast to this fact, cost of rights issue in Nepal is relatively very low.

### **8.2.2 Comparative Study on Forecasted and Actual Financial Data**

SEBO conducted a study to compare the forecasted financial position mentioned in the prospectus of the companies at the time of taking issue approval with its actual financial position. The study reveals that the financial projections are not based on the actual financial position of the company and are highly exaggerated. The study shows that the forecasted profit and losses of the companies fluctuated by up to 12 times to that of the actual profit and loss.

### **8.2.3 Study Support**

With the objective of encouraging studies in the field of capital market, SEBO has been supporting the Masters' Level students by awarding grant to write thesis as per their academic requirements. In this fiscal year, SEBO granted award to conduct six studies bearing the titles mention below.

- Price Formation and Brokering Services in Nepal Stock Exchange
- Performance of Listed Companies and Return to Investors
- Liquidity, Corporate Performance and Stock Price Behavior in Nepal
- Clearing and Settlement System in Nepalese Securities Market
- Investors' Awareness in the Securities Market in Nepal
- Saving, Investment and Capital Market in Nepal.

## 9. MARKET DEVELOPMENT INITIATIVES

### 9.1 Strategic Plan

With the objective of carrying out the market development activities in a planned way, SEBO brought into implementation a four-year strategic plan in the fiscal year 1998/99. The plan had major objective of improving legal and regulatory system of the capital market, the market level and developing efficient information system, increasing public participation and strengthening the institutional capability of SEBO. The plan had also included areas like development of supervision and monitoring system, compliance of the rules and regulations, education and training and study and research. The plan period has ended with the end of this fiscal year.

The achievement of the stated objectives of the strategic plan were affected by the reasons like delay in legislative process of the proposed securities bill, inadequacy of the financial resources, lack of corporate culture and institutional development of the corporate sector. In spite of these hurdles, the major achievements during the implementation period of the strategic plan are as follows:

- The proposed new securities bill is in the final stage of the legislative process.
- The disclosure formats for the listed companies, stock exchange and securities businesspersons have been implemented.
- Provide support to ICAN in its initiation to develop the accounting and auditing standard after the development of legal infrastructure.
- Securities issue related Guidelines and the guidelines for the stock brokers code of conduct has been issued.
- Rights share guidelines and the guidelines relating to the collective investment schemes are in the finalization process.
- On sight inspection of primary and secondary securities market have been performed.
- Publication of the booklets for the issuing company and the investors.
- Development of the web site to provide information on securities market on regular basis.
- Beginning of the publication of the securities market review on quarterly basis.
- Research studies on cost of public issue, primary market, compliance status, performance of listed companies and other important capital market related issues have been conducted.
- The seminar in the area of promoting good governance in the corporate sector was organized.
- Publication and distribution of the booklets relating information disclosure to improve transparency in the market.
- Encouragement for the studies conducted from academic community in the area of capital market.

## **9.2 Legal Infrastructure Development**

### **9.2.1 New Securities Exchange Bill in the Parliament**

The new securities exchange bill drafted with the objective of developing the infrastructures required for market development and bringing the regulations at par to international regulatory standards, was presented to the National Assembly for necessary discussion.

### **9.2.2 Issue of Guidelines on Business Code of Ethics for Securities Brokers**

With the objective of making stock brokering activities more credible and transparent, SEBO developed the guidelines on business code of ethics for securities brokers and made it effective from September 10, 2001.

### **9.2.3 Issue of Bonus Share Guidelines**

With the objective of making issuance of bonus share more simple and transparent, SEBO developed the bonus share issue guidelines and made it effective from March 14, 2002. This guideline has clearly spelled out the requirements for issuing bonus share.

### **9.2.4 Draft of the Rights Share Registration and Issue Approval Guidelines**

To systematize the issue of rights share and increase transparency, SEBO developed rights share registration and issue approval guidelines in this fiscal year. SEBO is waiting for the suggestions from related regulatory authorities to finalize the guidelines.

### **9.2.5 Draft of the Mutual Fund Guidelines**

With the objectives of facilitating the entry of new mutual fund in the market and developing clear policies and regulations regarding the formation and operation of the fund, SEBO has prepared a draft of mutual fund issuance guidelines. SEBO is in the process of finalizing the draft and bringing it into implementation.

### **9.2.6 Amendment in Securities Listing Bye-Laws, 1996**

SEBO approved amendment on bye-law 17 of the " Securities Listing Bye-Laws, 1996" on July 2, 2002 as requested by Stock Exchange. This amendment in the bye-law provides the basis for de-listing and re-listing of the securities.

***Prevailing Securities Legislation and other related Acts***

**Prevailing Securities Legislation**

- Securities Exchange Act, 1983
- Securities Exchange Regulation, 1993
- Membership of Stock Exchange and Transaction Bye-Laws, 1998
- Securities Listing Bye-Laws, 1996
- Issue Management Guidelines, 1997
- Securities Allotment Guidelines, 1994
- Securities Registration and Issue Approval Guidelines, 2000.
- Guidelines on Business Code of Ethics for Securities Brokers, 2001.
- Bonus Share Issue Guidelines, 2001.

**Other Related Acts**

- Companies Act, 1997
- Insurance Act, 1992
- Commercial Bank Act, 1974
- Finance Companies Act, 1986
- Foreign Exchange (Regulation) Act, 1962
- Foreign Investment and Technology Transfer Act, 1992

## **9.3 Other Development Initiatives**

### **9.3.1 Strengthening Institutional Capacity of SEBO**

To strengthen the institutional capability of SEBO, necessary provisions have been incorporated in the proposed new securities bill. The Corporate and Financial Governance Project, which is in the process of implementation has also made provision to review the proposed bill and help developing the required guidelines for the implementation of the act. The project will also provide necessary support in the areas of legal enforcement and research. To perform the responsibilities of SEBO in a planned way, the project will also help to develop a five year business plan as well as review the organizational structure of SEBO.

### **9.3.2 Improvement in the Stock Exchange**

In the proposed new securities exchange bill, necessary provisions have been incorporated to develop the stock exchange as a self regulatory organization. The Corporate and Financial Governance Project will also help in developing clear policies to establish the stock exchange as a self regulatory organization. The project will also help in the automation of the stock exchange and establishment of Management Information System. The project will provide

necessary suggestion for the privatization of the stock exchange after detail analysis. Likewise, the project will assist stock exchange in the areas of research and investors' education.

### **9.3.3 Establishment of Central Depository System of Securities**

For the efficient ownership transfer process and minimize the possible fraud in the securities trading, necessary provisions to facilitate the establishment of central depository system of the securities have been incorporated in the proposed securities exchange bill. The Corporate and Financial Governance Project will also study on the ownership structure and functional procedure of the system and provide necessary training for the operation of the system.

### **9.3.4 Initiative to facilitate the entry and exit of Securities Businessperson**

Corporate bodies willing to operate the securities business such as issue manager, stock broker, share registrar etc. have applied for SEBO's permission. However there is lack of clear provision in the prevailing securities legislation regarding the entry and exit of securities businesspersons. So, necessary provisions have been incorporated in the proposed securities exchange act. Besides, initiatives to facilitate the entry and exit process being taken under the framework of present securities legislation.

### **9.3.5 Implementation of Reporting Formats**

In this fiscal year SEBO developed reporting formats related with securities transaction and other activities of NEPSE. The formats are expected to be helpful in increasing the transparency in the operation of the stock exchange and strengthen the monitoring activities of SEBO. The formats were made effective from 22 January, 2002.

Likewise, to improve the standard of the financial reports and increase transparency in the transaction carried out by the stock-brokers, SEBO has also developed the format of balance sheet, profit-loss account, cash flow statement and other financial reports for the securities brokers and made it effective from 22 January, 2002.

### **9.3.6 On-Site Inspection Manual**

With the objective of conducting on-site inspection of brokering companies regarding their management of required infrastructure and update of the reports as prescribed, SEBO has developed a draft of the on site inspection manual in this fiscal year.

## 10. CORPORATE AFFAIRS

### 10.1 Annual General Meeting

As prescribed by prevailing legislation, corporate bodies should conduct their AGM within 6 months after the expiry of the fiscal year. In this fiscal year, 62 listed companies out of 96 have conducted their AGM of the fiscal year 2000/01. The sectorwise information on holding of AGM is given in table 29.

*Table 29: Holding AGM*

S.N.	Sector	Number of listed Company	Number of Company Holding AGM	Per cent
1	Bank	12	10	89.33
2	Finance Company	30	26	86.67
3	Insurance Company	11	10	90.91
4	Hotel	4	2	50.00
5	Manufacturing and Processing Company	28	11	39.29
6	Trading Company	8	3	37.50
7	Other	3	-	-
<b>Total</b>		<b>96</b>	<b>62</b>	<b>64.58</b>

Out of the companies conducting AGM in this fiscal year, only 29 companies including 5 banks, 16 finance companies, 2 insurance companies, 2 hotels, 3 manufacturing and processing companies and 1 trading company have conducted within the period prescribed by the prevailing legislation. In the same way, 12 companies conducted their AGM of the fiscal year 1999/00 or previous fiscal year. The detail on holding of AGM is given in table 31.

### 10.2 Dividend Declaration

Out of the 96 listed companies, 44 companies (45.83 per cent) have declared dividend until the end of this fiscal year. The percentage of dividend declared ranges from 5 per cent to 100 per cent. The sectorwise information on dividend declaration is given in table 30.

**Table 30: Dividend/Bonus share declaration and Share Capitalization**

S.N	Sector	Number of listed Company	Number of Company Declaring Dividend	Per cent
1	Bank	12	5	41.67
2	Finance Company	30	21	70.00
3	Insurance Company	11	9	81.82
4	Hotel	4	2	50.00
5	Manufacturing and Processing Company	28	4	14.28
6	Trading Company	8	3	37.50
7	Other	3	-	-
<b>Total</b>		<b>96</b>	<b>44</b>	<b>45.83</b>

In this fiscal year, six companies including three banks, one insurance company and two hotels have also declared bonus share. Five finance companies have capitalized their share by increasing the paid-up value of their share. The detail on dividend/bonus share declaration and share capitalization is given in table 31.

**Table 31: AGM and Dividend/ Bonus Share/ Share Capitalization Declaration**

S. N.	Name of Listed Company	Date of AGM	AGM	Dividend/Bonus Share	Percent
<b>Bank</b>					
1	Standard Chartered Bank Ltd.	2002/01/19	15 <sup>th</sup>	Cash Dividend	100.00
2	Everest Bank Ltd.	2002/01/19	7 <sup>th</sup>	-	-
3	Himalayan Bank Ltd.	2002/01/10	9 <sup>th</sup>	Interim Dividend Cash Dividend Bonus Share	20.00 7.50 30.00
4	Bank of Kathmandu Ltd.	2002/01/10	7 <sup>th</sup>	-	-
5	Nepal Industrial & Commercial Bank Ltd.	2002/01/13	4 <sup>th</sup>	Cash Dividend	10.00
6	Nabil Bank Ltd.	2002/03/17	17 <sup>th</sup>	Interim Dividend Final Dividend	20.00 20.00
7	Nepal Bangladesh Bank Ltd.	2002/04/07	7 <sup>th</sup>	Cash Dividend Bonus Share	5.00 50.00
8	Nepal SBI Bank Ltd.	2002/04/11	8 <sup>th</sup>	-	-
9	Nepal Investment Bank Ltd.	2002/05/30	15 <sup>th</sup>		
10	Nepal Development Bank Ltd.	2002/06/13	3 <sup>rd</sup>	-	-
<b>Finance Company</b>					
1	Kathmandu Finance Ltd.	2001/08/16	7 <sup>th</sup>	Cash Dividend	23.00
2	Pashchimanchal Finance Co. Ltd.	2001/09/24	6 <sup>th</sup>	Cash Dividend	20.00
3	Narayani Finance Ltd.	2001/10/05	7 <sup>th</sup>	Cash Dividend	20.00
4	Mahalaxmi Finance Ltd.	2001/10/12	6 <sup>th</sup>	Cash Dividend	30.00

S. N.	Name of Listed Company	Date of AGM	AGM	Dividend/Bonus Share	Percent
5	Union Finance Co. Ltd.	2001/10/30	7 <sup>th</sup>	Cash Dividend	16.00
6	Ace Finance Co. Ltd.	2001/11/09	6 <sup>th</sup>	Cash Dividend	25.00
7	National Finance Co. Ltd.	2001/11/30	9 <sup>th</sup>	Cash Dividend	30.00
8	Nepal Housing & Merchant Finance Ltd.	2001/12/16	7 <sup>th</sup>	Cash Dividend	15.00
9	Gorkha Finance Ltd.	2001/12/21	7 <sup>th</sup>	Cash Dividend	10.00
10	Siddhartha Finance Ltd.	2002/01/03	6 <sup>th</sup>	-	-
11	Alpic Everest Finance Ltd.	2002/01/08	8 <sup>th</sup>	Cash Dividend	20.00
12	Nepal Awash Bikash Bitta Co. Ltd.	2002/01/09	9 <sup>th</sup>	Cash Dividend	13.00
13	Lumbini Finance & Leasing Co. Ltd.	2002/01/09	6 <sup>th</sup>	Cash Dividend	20.00
14	Universal Finance & Capital Markets Ltd.	2002/01/10	6 <sup>th</sup>	Share Capitalization Cash Dividend	8.00 8.50
15	Yeti Finance Co. Ltd.	2002/01/10	7 <sup>th</sup>	Share Capitalization Cash Dividend	30.00 11.00
16	Annapurna Finance Co. Ltd.	2002/01/12	8 <sup>th</sup>	Cash Dividend	12.00
17	Goodwill Finance & Investment Co. (Nepal ) Ltd.	2002/02/24	7 <sup>th</sup>	Share Capitalization	16.68
18	N.B. Finance & Leasing Co. Ltd.	2002/03/24	3 <sup>rd</sup>	-	-
19	Pokhara Finance Ltd.	2002/03/31	5 <sup>th</sup>	Cash Dividend	15.00
20	Peoples Finance Ltd.	2002/03/31	5 <sup>th</sup>	-	-
21	NIDC Capital Market Ltd.	2002/04/07	9 <sup>th</sup>	Cash Dividend	15.00
22	Samjhana Finance Co. Ltd.	2002/04/10	7 <sup>th</sup>	Share Capitalization	15.04
23	Nepal Merchant Banking & Finance Ltd.	2002/04/12	6 <sup>th</sup>	Cash Dividend	25.00
24	Nepal Share Markets Ltd.	2002/05/23	8 <sup>th</sup>	-	-
25	Lalitpur Finance Co. Ltd.	2002/07/12	5 <sup>th</sup>	-	-
26	Citizen Investment Trust	2002/07/13	7 <sup>th</sup>	Share Capitalization	14.25
<b>Insurance Company</b>					
1	Premier Insurance Co. (Nepal) Ltd.	2001/11/26	8 <sup>th</sup>	Interim Dividend Final Dividend	5.00 8.00
2	N.B Insurance Co. Ltd.	2002/01/13	4 <sup>th</sup>	-	-
3	Himalayan General Insurance Co. Ltd.	2002/03/01	8 <sup>th</sup>	Cash Dividend Interim Dividend	10.00 5.00
4	Sagarmatha Insurance Co. Ltd.	2002/03/31	5 <sup>th</sup>	Cash Dividend	7.00
5	Aliance Insurance Co. Ltd.	2002/04/07	5 <sup>th</sup>	Interim Dividend	5.00
			6 <sup>th</sup>	Cash Dividend	5.00
6	United Insurance Co. Ltd.	2002/04/11	8 <sup>th</sup>	Cash Dividend Interim Dividend	8.00 7.00
7	Everest Insurance Co. Ltd.	2002/05/10	7 <sup>th</sup>	Cash Dividend	20.00
8	National Life & General Insurance Co. Ltd.	2002/05/13	14 <sup>th</sup>	Cash Dividend Interim Dividend	20.00 10.00
9	Neco Insurance Co. Ltd.	2002/05/24	6 <sup>th</sup>	Cash Dividend	10.00

S. N.	Name of Listed Company	Date of AGM	AGM	Dividend/Bonus Share	Percent
10	Nepal Insurance Ltd.	2002/07/12	53 <sup>rd</sup>	Interim Dividend Bonus Share Interim Dividend	10.00 25.00 10.00
<b>Hotel</b>					
1	Soaltee Hotel Ltd.	2001/12/21	27 <sup>th</sup>	Cash Dividend Bonus Share	10.00 33.33
2	Yak & Yati Hotel Ltd.	2002/01/08	25 <sup>th</sup>	Bonus Share	50.00
<b>Manufacturing and Processing Company</b>					
1	Bottlers Nepal Ltd.	2001/12/11	23 <sup>rd</sup>	Cash Dividend	10.00
2	Bottlers Nepal (Tarai) Ltd.	2001/12/11	15 <sup>th</sup>	Cash Dividend	15.00
3	Nepal Lever Ltd.	2002/01/13	8 <sup>th</sup>	Cash Dividend	55.00
4	Nepal Lube Oil	2002/03/08	10 <sup>th</sup>	Interim Dividend	10.00
5	The Juddha Match Factory (Biratnagar) Ltd.	2002/04/05	45 <sup>th</sup>	-	-
6	Biratnagar Jute Mills Ltd.	2002/04/07	Special AGM		
7	Jyoti Spinning Mills Ltd.	2002/04/07	12 <sup>th</sup>	-	-
8	Arun Vanaspati Udhyog Ltd.	2002/04/09	11 <sup>th</sup>	-	-
9	Shree Raghupati Jute Mills Ltd.	2002/04/10	4 <sup>th</sup>	-	-
10	Shree Ram Sugar Mills Ltd.	2002/04/12	7 <sup>th</sup>	-	-
11	Nepal Bitumin & Barrel Udhyog Ltd.	2002/04/12	13 <sup>th</sup>	-	-
<b>Trading Company</b>					
1	Bishal Bazar Co. Ltd.	2001/12/29	21 <sup>st</sup>	Cash Dividend	50.00
2	Salt Trading Corporation Ltd.	2002/04/12	35 <sup>th</sup>	Interim Dividend	25.00
3	Nepal Trading Ltd.	2002/05/10	9 <sup>th</sup>	Share Capitalization	25.00

In this fiscal year, the companies which held their AGM of the fiscal year 1999/00 or previous year and declared dividend is given in table 32.

**Table 32: Companies Holding AGM of the Year 1999/00 or previous Year**

S. N.	Name of Listed Company	Fiscal Year	AGM	Date	Dividend/Bonus Share	Per cent
<b>Bank</b>						
1	Nabil Bank Ltd.	1999/2000	16 <sup>th</sup>	2001/08/12	Interim Dividend Final Dividend Bonus Share	20.00 35.00 25.00
<b>Finance Company</b>						
1	Citizen Investment Trust	1999/2000	6 <sup>th</sup>	2001/08/29	Share Capitalization	14.25
2	Nepal Industrial Development Corporation.	1997/1998 1998/1999	41 <sup>st</sup>	2002/04/11	-	-

S. N.	Name of Listed Company	Fiscal Year	AGM	Date	Dividend/Bonus Share	Per cent
3	Lumbini Finance & Leasing Co. Ltd.	1999/00	5 <sup>th</sup>	2002/01/09	Share Capitalization	20.00
<b>Insurance Company</b>						
1	Sagarmatha Insurance Co. Ltd.	1999/00	4 <sup>th</sup>	2002/03/31	Final Dividend	5.00
2	Aliance Insurance Co. Ltd.	1999/00	5 <sup>th</sup>	2002/04/07	Interim Dividend	5.00
3	N.B. Insurance Co. Ltd.	1998/99 1999/00	2 <sup>nd</sup> and 3 <sup>rd</sup>	2002/01/13	-	-
<b>Manufacturing and Processing Company</b>						
1	Arun Banaspati Udhog Ltd.	1999/00	11 <sup>th</sup>	2002/04/09	-	-
2	Gorakhkali Rubber Udhog Ltd.	1999/00	9 <sup>th</sup>	2002/05/03	-	-
<b>Trading Company</b>						
1	Salt Trading Corporation Ltd.	1999/00	35 <sup>th</sup>	2002/04/12	-	-
<b>Other Company</b>						
1	National Productivity & Economic Development Center Ltd.	1996/97	5 <sup>th</sup>	2001/12/07	-	-

### 10.3 Rights Share Declaration

From the AGM of the fiscal year 2000/01, four listed companies including one bank and three finance companies, have declared for the issue of rights share. Table 33 presents the companies declaring for the issue of rights share in this fiscal year.

*Table 33: Rights Share Declaration*

S.N	Name of Listed Company	Declaration Date	Ratio
1	Nepal Investment Bank Ltd.	2002/05/30	3:1
2	Nepal Share Markets Co. Ltd.	2002/05/23	2:1
3	People Finance Ltd.	2002/03/31	1:1
4	Mahalaxmi Finance Ltd.	2001/10/12	1:1

### 10.4 Financial Results of the Listed Companies

SEBO reviews the performance and financial status of listed companies based on financial statements and other reports submitted by them. Table 34 presents the profit loss situation of the companies in different sector.

**Table 34: Profit/Loss status of different sector**

S.N.	Sector	Number of Company				Total Profit (Rs. in million)	Total Loss (Rs. in million)
		Total	In Profit	In Loss	Not Reporting		
1	Bank	12	10	-	2	1456.96	-
2	Finance Company	30	28	-	2	243.32	-
3	Insurance Company	11	9	-	2	83.65	-
4	Hotel	4	2	-	2	54.88	-
5	Manufacturing & Processing Company	28	7	7	14	190.68	578.99
6	Trading Company	8	3	-	5	28.63	-
7	Other	3	2	1	-	7.64	243.79
<b>Total</b>		<b>96</b>	<b>61</b>	<b>8</b>	<b>27</b>	<b>2064.76</b>	<b>822.78</b>
<b>Per cent</b>		<b>100%</b>	<b>63.54</b>	<b>8.33</b>	<b>28.13</b>		

## 10.5 Ownership Transfer and Change in Name

Fifty per cent of the share of Nepal Indosuez Bank Ltd. held by Credit Agricole Indosuez was sold to the Nepalese promoters on April 25, 2002 as per the transaction records of NEPSE. After this divestment of shares by Nepalese owners, the name of the company was changed to Nepal Investment Bank Ltd. by its 15th AGM held on May 31, 2002.

## 11. IMPORTANT EVENTS

- 16/11/1992 First Amendment made in the Securities Exchange Act, 1983 to pave the way for the restructuring of capital market and the establishment of SEBO.
- 26/05/1993 Securities Exchange Regulation, 1993 came into effect for the implementation of the Securities Exchange Act, 1983.
- 07/06/1993 HMG/N established SEBO and appointed Chairman.
- 28/07/1993 SEBO starts registration of shares and grants approval for public issues.
- 28/7/1993 SEBO registered and granted approval for the issue of NCM First Mutual Fund launched by NIDC Capital Market.
- 16/08/1993 Approval of "Membership and Transaction Bye-Laws, 1993" of Nepal Stock Exchange Ltd. in order to facilitate the introduction of brokers and market makers in the securities market.
- 01/04/1994 "Directives for Allotment of Securities, 1993" came into effect to bring about efficiency and transparency in allotment and distribution of securities.
- 19/09/1994 A Program for Policy Makers on Capital Market Development was jointly organized by SEBO and UTI-Institute of Capital Market of India.
- 01/05/1995 "Guidelines for Registration and Issue Approval of Securities, 1995" came into effect in order to ensure transparency and orderly management of the issuance of securities.
- 02/04/1995 Draft of "Securities Exchange Regulation (1<sup>st</sup> Amendment), 1994" was forwarded to HMG/N, Ministry of Finance for approval.
- 02/04/1995 Formation of sub-committee consisting of representatives from SEBO, Ministry of Law and Nepal Stock Exchange to forward recommendation for the timely reform of the Securities Exchange Act on the basis of experience gained after the introduction of open and competitive system of securities trading.
- 11/12/1995 "Securities Exchange Regulation (1<sup>st</sup> Amendment), 1995" came into effect.
- 03/04/1996 An approach paper containing modality and the legal and institutional infrastructure required to bring in foreign investment through securities market, was prepared by SEBO and submitted to the Ministry of Finance, HMG/N.
- 17/06/1996 In order to provide necessary legal base for the establishment and healthy operation of trust funds, SEBO drafted the Securities Investment Trust Act and submitted to HMG for approval.
- 28/06/1996 SEBO approved the "Securities Listing Bye-Laws, 1996" of NEPSE prepared to implement the provision of "Securities Exchange Regulation (1<sup>st</sup> Amendment), 1995".

- 08/01/1996 Decision made by SEBO to exempt from the registration requirement for the deposits having transferable characteristics issued by finance company.
- 18/09/1996 Approval of "Membership of Stock Exchange and Transaction Bye-Laws, 1996 (3<sup>rd</sup> Amendment)" of NEPSE.
- 22/01/1997 SEBO sponsored investor education program on capital market through Nepal Television.
- 30/01/1997 "Securities Exchange Act (2<sup>nd</sup> Amendment), 1983" came into effect.
- 26/02/1997 Royal Seal granted on "Securities Investment Trust Act."
- 03/03/1997 An approach paper on policies and programs of capital market to be incorporated in the Ninth Plan was submitted to Ministry of Finance, HMG/N.
- 19/06/1997 SEBO restructured its internal organization to cope with the additional responsibilities vested to SEBO by the 2<sup>nd</sup> amendment in the Securities Exchange Act.
- 07/12/1997 SEBO helped in restructuring and approved the prospectus prepared for the sale of restructured NCM First Mutual Fund.
- 24/09/1997 SEBO published a booklet on "Provision on Disclosure of Corporate Information, 1997". This publication was intended to educate listed companies, investors and related institutions about the provisions relating to the timely and accurate flow of information as provisioned in the Act, Regulation and Bye-Laws.
- 22/10/1997 Issued directives to the Stock Exchange and the listed companies to establish a unit to address complaints and grievances of investors. Legal Study and Regulation Division of SEBO was also geared to address the complaints and grievances of the investors.
- 23/10/1997 SEBO, for the first time, granted approval to issue redeemable and convertible debenture after making a detailed study and developing a conceptual approach in this regard.
- 11/08/1997 SEBO registered 41 corporate bodies to work as securities business persons in accordance with the provisions of Securities Exchange Act (2<sup>nd</sup> Amendment), 1983.
- 01/03/1998 A study on the Nepalese Capital Market commenced under the Technical Assistance of ADB.
- 17/02/1998 "Directives on Issuance of Securities and Issue Management, 1998" came into effect to ensure transparency and accountability in the process of public offering of securities.
- 08/01/1998 Re-appointment of the Chairman by HMG/N for the second tenure of two years.
- 09/03/1998 "Securities Exchange Regulation (2<sup>nd</sup> Amendment), 1998" came into effect.
- 09/12/1998 SEBO prescribed financial reporting formats to stock brokers.

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- 15/11/1998 An MOU signed by SEBO and ICAN entrusting ICAN to conduct a study on the "Corporate Annual Reports and Recommended Formats and Disclosure."
- 16/11/1998 SEBO's strategic plan "Meeting the Challenges Ahead, 1998-2002" was approved by SEBO.
- 01/09/1999 In order to enhance the institutional capabilities of SEBO, a new organizational structure brought into effect.
- 01/09/1999 SEBO developed policy criteria regarding the establishment of credit rating agencies and forwarded it to HMG/N and NRB.
- 31/01/1999 SEBO organized a training program on "Preparing Financial Reporting Formats for Stock Brokers."
- 04/11/1999 Amendment of "Securities Board Employees Bye-laws, 1999" came into effect.
- 05/10/1999 To bring about uniformity in the financial reporting of listed companies, SEBO developed a format of financial disclosures and forwarded it to ROC for necessary action.
- 08/12/1999 Functional committees comprising representatives from NRB, ROC and NEPSE was formed as per SEBO's policy of bringing greater co-ordination between regulatory authorities in the field of securities registration, market monitoring and supervision.
- 09/12/1999 SEBO developed a concept paper on "Moving Towards International Accounting and Auditing Standard" and forwarded it to Ministry of Finance for necessary action.
- 11/03/1999 A committee formed under the convenership of Director of SEBO to supervise and monitor the strategic plan implementation.
- 12/01/1999 SEBO organized a talk program on "Building an Effective Securities Market Infrastructure."
- 12/04/1999 SEBO forwarded the initial draft of New Securities Act, 1999 to HMG/N.
- 28/04/2000 SEBO received the study report on "Corporate Annual Reports and Recommended Formats and Disclosure" from ICAN and adopted a policy to implement it gradually.
- 24/12/2000 Loan agreement between HMG/N and ADB for the implementation of "Corporate and Financial Governance Project".
- 10/10/2001 Implementation of disclosure formats for Stock Exchange and Stock Brokers.
- 14/03/2002 "Bonus Share Issue Guidelines, 2058" made effective.
- 25/06/2002 Publication and distribution of booklet "Public Issue of Securities".
- 25/06/2002 SEBO Begins to publish the "Securities Market Review" on quarterly basis.

**Appendix-1****Personnel of SEBO**

<b><u>Name</u></b>	<b><u>Designation</u></b>
1. Mr. Dambar Prasad Dhungel	Chairman
2. Mr. Deepak Raj Kafle	Director
3. Mr. Paristha N. Poudyal	Asst. Director
4. Mr. Niraj Giri	Asst. Director
5. Mr. Binaya Dev Acharya	Chief, Corporate Finance and Registration Division
6. Mrs. Manju Upadhaya	Chief, Administration and Internal Control Division
7. Mr. Nabaraj Adhikari	Chief, Research and Development Planning Division
8. Mr. Mukti Nath Shrestha	Chief, Market Surveillance Division
9. Mr. Dhruva Timilsina	Chief, Training and Education Division
10. Mr. Puspa Baruwal	Secretary, Chairman's Office

**Supervisory Staffs**

11. Mr. Krishna Prasad Ghimire
12. Mr. Anuj Rimal
13. Mr. Prem Kajee Shrestha
14. Mr. Suraj Pradhananga
15. Mr. Deepak Sharma
16. Mr. Raju G.C.
17. Mr. Nabraj Pandit
18. Mrs. Sashi Aryal
19. Mr. Rajan Thapa

**Support Staffs**

20. Mr. Sukumar Maharjan
21. Mr. Nahakul Bhattarai
22. Mr. Rajesh Lage
23. Mr. Rajan Khatiwada
24. Mr. Arjun Prasad Dhakal
25. Mr. Deepak Chhetri

## Appendix-2

**Securities Board, Nepal**  
**Thapathali, Kathmandu**

**Balance Sheet**  
**Fiscal Year 2001/2002**

(Rs. in '000)

<i>Assets</i>	<i>2001/2002*</i>	<i>2000/2001</i>
Fixed Assets	972.42	828.20
Investment	12400.00	10700.00
Net Working Capital	1789.53	2117.04
<b><i>Total Assets</i></b>	<b><i>15161.95</i></b>	<b><i>13645.24</i></b>

(Rs. in '000)

<i>Liabilities</i>	<i>2001/2002*</i>	<i>2000/2001</i>
General Reserve	5100.00	5100.00
Revolving Fund	7100.00	7100.00
Gratuity Fund	804.67	804.67
Staff Welfare Fund	-	350.00
Surplus / Deficit	2157.28	290.57
<b><i>Total Liabilities</i></b>	<b><i>15161.95</i></b>	<b><i>13645.24</i></b>

\* Provisional

**Appendix-2 (Contd.)****Securities Board, Nepal**  
**Thapathali, Kathmandu****Income and Expenditure Statement**  
**Fiscal Year 2001/2002**

(Rs. in '000)

<i>Income</i>	<i>2001/2002*</i>	<i>2000/2001</i>
Grant from HMG/N	4500.00	5500.00
Interest	965.31	981.32
Registration Fees	2181.48	1215.44
Other Income	0.03	86.62
<b>Total Income</b>	<b>7646.82</b>	<b>7783.38</b>

(Rs. in '000)

<i>Expenditure</i>	<i>2001/2002*</i>	<i>2000/2001</i>
Administrative Expenses	5530.47	5786.53
Depreciation	249.64	419.49
Excess of Income over Expenditure	1866.71	1577.36
<b>Total Expenditure</b>	<b>7646.82</b>	<b>7783.38</b>

(Rs. in '000)

	<i>2001/2002*</i>	<i>2000/2001</i>
Excess of Income over Expenditure for the Year	1866.71	1577.36
Surplus of Previous Year	290.57	293.21
<b>Total</b>	<b>2157.28</b>	<b>1870.57</b>

\* Provisional

**Appendix-2(Contd.)**

**Securities Board, Nepal**  
**Thapathali, Kathmandu**

**Cash Flow Statement**  
**Fiscal Year 2001/2002**

(Rs. in '000)

<i>Sources of Fund</i>	<i>2001/2002*</i>	<i>2000/2001</i>
Grant from HMG/N	4500.00	5500.00
Fees and Charges	2181.48	1215.44
Interest	965.31	981.32
Miscellaneous Income	0.03	86.62
Addition to Gratuity Fund	327.51	-
<b>Total</b>	<b>7974.33</b>	<b>7783.38</b>

(Rs. in '000)

<i>Uses of Fund</i>	<i>2001/2002*</i>	<i>2000/2001</i>
Administrative Expenses	5530.47	5786.53
Capital Expenses	393.86	63.59
Investments	1700.00	850.00
Payment of Employee Welfare Fund	350.00	500.00
Payment of Gratuity Fund	-	151.73
Increase in Net Working Capital	-	431.17
<b>Total</b>	<b>7974.33</b>	<b>7783.38</b>

\* Provisional

## Appendix-3

**Public Issue Approval**  
(Fiscal Year 1993/94 to 1999/00)

(Rs. in million)

S. N.	Name of Issuing Company	Types of securities	Amount of Issue Approved	Permission Date	Issue Manager/ Fund Manager
<b>Fiscal Year 1993/94</b>					
1	Nepal Med Ltd.	Ordinary Share	2.70	28/07/1993	CIT
2	Nepal Share Markets Co. Ltd.	Ordinary Share	4.00	21/09/1993	NCML
3	Himalayan General Insurance Co. Ltd.	Ordinary Share	12.00	28/09/1993	NCML
4	Nimrod Pharmaceuticals Ltd.	Ordinary Share	18.00	16/12/1993	CIT
5	Necon Air Ltd..	Ordinary Share	16.50	10/01/1994	CIT
6	Necon Air Ltd.	Preference Share	14.00	10/01/1994	CIT
7	Harisiddhi Brick & Tiles Factory Ltd.	Ordinary Share	53.20	12/12/1993	NCML
8	Nepal Lever Ltd.	Ordinary Share	13.80	30/12/1993	NCML
9	United Insurance Co. Ltd.	Ordinary Share	24.00	30/01/1994	NCML
10	Nepal SBI Bank Ltd.	Ordinary Share	36.00	22/02/1994	CIT
11	Annapurna Finance Ltd.	Ordinary Share	2.00	10/05/1994	NSML
12	Peoples Finance Ltd.	Ordinary Share	9.80	08/05/1994	CIT
13	Nepal Film Development Co. Ltd.	Ordinary Share	21.90	05/05/1994	NCML
14	Agro Nepal Ltd.	Ordinary Share	9.00	12/05/1994	CIT
15	Birat Shoe Ltd.	Ordinary Share	5.00	21/06/1994	NCML
16	Birat Shoe Ltd.	Preference Share	2.50	21/06/1994	NCML
17	NIDC Capital Markets Ltd.	Mutual Fund	100.00	30/06/1994	NCML
<b>Total</b>			<b>344.40</b>		
<b>Fiscal Year 1994/95</b>					
18	Premier Insurance Co. Ltd.	Ordinary Share	12.00	18/08/1994	NCML
19	Ace Laboratories (Nepal) Ltd.	Ordinary Share	12.26	04/09/1994	NFCL
20	Everest Insurance Co. Ltd.	Ordinary Share	12.00	03/10/1994	NCML
21	Nepal Bangladesh Bank Ltd.	Ordinary Share	36.00	29/09/1994	NCML
22	Himgiri Textile Industries Ltd.	Ordinary Share	19.20	08/11/1994	CIT
23	Balaju Textile Industries Ltd.	Ordinary Share	7.50	24/12/1994	NSML
24	Kathmandu Finance Co. Ltd.	Ordinary Share	8.00	29/01/1995	NCML
25	Leatherage Bansbari Tannery & Shoe Factory Ltd.	Ordinary Share	15.00	14/03/1994	NCML
26	Citizen Investment Trust	Ordinary Share	16.00	10/04/1995	NFCL
27	Citizen Investment Trust	Unit Scheme	50.00	29/06/1995	CIT
28	Everest Bank Ltd.	Ordinary Share	36.00	26/04/1995	NCML
29	Kosh Byabasthapan Co. Ltd.	Ordinary Share	30.25	14/06/1995	NFCL
<b>Total</b>			<b>254.21</b>		

<i>S. N.</i>	<i>Name of Issuing Company</i>	<i>Types of securities</i>	<i>Amount of Issue Approved</i>	<i>Permission Date</i>	<i>Issue Manager/ Fund Manager</i>
<b><i>Fiscal Year 1995/96</i></b>					
30	Narayani Finance Co. Ltd.	Ordinary Share	4.00	11/09/1995	NFCL
31	Nepal Abbas Bikash Bitta Co. Ltd.	Ordinary Share	20.00	11/08/1995	RBB
32	Shree Brikuti Pulp & Paper Nepal Ltd.	Ordinary Share	105.00	05/12/1995	CIT
33	Yeti Finance Co. Ltd.	Ordinary Share	8.00	05/02/1996	NCML
34	Nepal Finance & Saving Co. Ltd.	Rights Share	2.00	22/10/1995	
35	Color Scan Nepal Ltd.	Ordinary Share	14.34	25/03/1996	CIT
36	HISEF Finance Ltd.	Ordinary Share	24.00	25/03/1996	NCML
37	Universal Finance and Capital Markets Ltd.	Ordinary Share	15.00	04/04/1996	CIT
38	Ace Finance Co. Ltd.	Ordinary Share	12.00	14/04/1996	NSML
39	Fleur Himalayan Co. Ltd.	Ordinary Share	12.28	07/04/1996	NCML
40	Samjhana Finance Ltd.	Ordinary Share	10.12	06/06/1996	RBB
41	Seti Cigarette Factory Ltd.	Rights Share	67.00	02/07/1996	
<b><i>Total</i></b>			<b><i>293.74</i></b>		
<b><i>Fiscal Year 1996/97</i></b>					
42	Nepal Housing & Merchant Finance Ltd.	Ordinary Share	12.00	26/07/1996	NSML
43	Bank of Kathmandu Ltd.	Ordinary Share	45.00	03/10/1996	NCML
44	Himalyan General Insurance .Co. Ltd.	Rights Share	30.00	03/04/1997	AFCL
45	Bottlers Nepal Ltd.	Rights Share	225.20	03/04/1997	CIT
46	Nepal Share Markets Co. Ltd.	Rights Share	20.00	13/05/1997	AFCL
<b><i>Total</i></b>			<b><i>332.20</i></b>		
<b><i>Fiscal Year 1997/98</i></b>					
47	General Finance Co. Ltd.	Ordinary Share	8.00	17/08/1997	NSML
48	Nepal Bitumin & Barrel Udyog Ltd.	Ordinary Share	7.40	17/08/1997	NSML
49	Shreeram Sugar Mills Ltd.	Ordinary Share	46.50	23/10/1997	NCML
50	Shreeram Sugar Mills Ltd.	Debenture	93.00	23/10/1997	NCML
51	Neco Insurance Ltd.	Ordinary Share	20.00	26/10/1997	CIT & RBB
52	Nepal United Co. Ltd.	Rights Share	3.01	16/11/1997	NFCL
53	Nepal Bank Ltd.	Rights Share	241.95	27/11/1997	CIT
54	Mahalaxmi Finance Co. Ltd.	Ordinary Share	10.00	15/12/1997	NFCL
55	Paschimanchal Finance Co. Ltd.	Ordinary Share	8.00	06/12/1997	NSML
56	Annapurna Finance Co. Ltd.	Rights Share	5.00	25/01/1998	NFCL
57	Lalitpur Finance Co. Ltd.	Ordinary Share	9.50	02/04/1998	NCML
58	Goodwill Finance & Investment Co. (Nepal) Ltd.	Ordinary Share	10.00	27/05/1998	NCML
<b><i>Total</i></b>			<b><i>462.36</i></b>		

S. N.	Name of Issuing Company	Types of securities	Amount of Issue Approved	Permission Date	Issue Manager/ Fund Manager
<b>Fiscal Year 1998/99</b>					
59	Alliance Insurance Co. Ltd.	Ordinary Share	20.00	12/08/1998	CIT
60	Taragaon Regency Hotels Ltd.	Ordinary Share	120.00	16/12/1998	NCML, NMB
61	Taragaon Regency Hotels Ltd.	Preference Share	80.00	16/12/1998	NCML, NMB
62	Pokhara Finance Co. Ltd.	Ordinary Share	8.00	22/03/1999	CIT
63	Nepal Share Markets Co. Ltd.	Rights Share	30.00	25/05/1999	AFCL
<b>Total</b>			<b>258.00</b>		
<b>Fiscal Year 1999/2000</b>					
64	Universal Finance & Capital Market Ltd.	Ordinary Share	3.26	13/09/1999	CIT
65	Nepal Industrial & Commercial Bank Ltd.	Ordinary Share	175.00	15/11/1999	NCML& NMB
66	Nepal Merchant Banking & Finance Ltd.	Ordinary Share (not issued)	50.00	30/12/1999	NCML
67	Necon Air Ltd.	Rights Share	89.60	21/01/2000	CIT
68	Lumbini Finance & Leasing Co. Ltd.	Ordinary Share	24.00	01/02/2000	NSML
69	Paschimanchal Finance Co. Ltd.	Rights Share	20.00	14/02/2000	NSML
70	Ace Finance Co. Ltd.	Rights Share	15.00	28/03/2000	NSML
71	Sagarmatha Insurance Co. Ltd.	Ordinary Share	10.20	14/06/2000	NCML
72	Oriental Hotels Ltd.	Ordinary Share	150.00	26/06/2000	NCML
<b>Total</b>			<b>537.06</b>		
<b>Fiscal Year 2000/2001</b>					
73	Siddhartha Finance Ltd.	Ordinary Share	<b>8.00</b>	07/11/2000	NMB
74	Nepal Merchant Banking & Finance Ltd.	Ordinary Share	<b>50.00</b>	30/11/2000	NCML
75	Alpic Everest Finance Ltd.	Ordinary Share	<b>5.00</b>	12/12/2000	NEFINSCO
76	Nepal Bangladesh Finance & Leasing Co. Ltd.	Ordinary Share	<b>7.50</b>	19/01/2001	NSML,NSMB
77	Narayani Finance Ltd.	Rights Share	<b>12.58</b>	12/03/2001	NSML
78	Nepal Bank of Ceylon Ltd.	Ordinary Share (not issued)	<b>150.00</b>	13/04/2001	NCML,NSMB, CIT
79	Everest Bank Ltd.	Rights Share	<b>119.21</b>	30/05/2001	CIT
80	Nepal Development Bank Ltd.	Ordinary Share	<b>48.00</b>	18/06/2001	CIT, NMB
81	Bank of Kathmandu Ltd.	Rights Share	<b>234.00</b>	13/07/2001	NCML
<b>Total</b>			<b>634.29</b>		
<b>Fiscal Year 2001/2002</b>					
82	Himalayan Distillery Ltd.	Ordinary Share	173.46	10/08/2001	NCML
83	Nepal Housing & Merchant Finance Ltd.	Rights Share	15.00	20/11/2001	NSML

<i>S. N.</i>	<i>Name of Issuing Company</i>	<i>Types of securities</i>	<i>Amount of Issue Approved</i>	<i>Permission Date</i>	<i>Issue Manager/ Fund Manager</i>
84	Union Finance Co. Ltd.	Ordinary Share	24.00	20/12/2001	NCML
85	Development Credit Bank Ltd.	Ordinary Share	48.00	02/01/2001	NMB
86	Ace Finance Ltd.	Rights Share	45.00	02/01/2002	NSML
87	Nepal SBI Bank Ltd.	Rights Share	287.87	15/01/2002	NMB
88	NIDC Capital Markets Ltd.	Rights Share	40.00	18/03/2002	CIT
89	Nepal Bank Of Ceylon Ltd.	Ordinary Share	150.00	25/03/2002	NCML, CIT, NSMB
90	United Finance Ltd.	Ordinary Share	24.00	08/05/2002	NMB
91	Himalayan Bank Ltd.	Debenture	360.00	04/06/2002	NMB
92	Nepal Life Insurance Co. Ltd.	Ordinary Share	50.00	07/06/2002	NMB
93	Nirdhan Utthan Bank Ltd.	Ordinary Share	3.30	14/06/2002	CIT
94	Everest Bank Ltd.	Rights Share	140.00	18/06/2002	NSML
95	International Leasing & Finance Co. Ltd.	Ordinary Share	30	26/06/2002	NMB
96	Gorkha Finance Ltd.	Ordinary Share	10.00	05/07/2002	NSML
97	Shree Investment & Finance Co. Ltd.	Ordinary Share	16.00	16/07/2002	CIT
<b>Total</b>			<b>1416.63</b>		
<b>Grand Total</b>			<b>4332.89*</b>		

\* Only the amount as per the re-issue approval is included

**Issue Approved at a Glance (Instrumentwise)***(Fiscal Year 1993/94 to 2001/02)**(Rs. in million)*

Fiscal Year	Equity share		Rights share		Preference Share		Debenture		Mutual/Unit Fund		Total	
	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)
1993/94	14	227.90	-	-	2	16.50	-	-	1	100.00	17	344.40
1994/95	11	204.21	-	-	-	-	-	-	1	50.00	12	254.21
1995/96	10	224.74	2	69.00	-	-	-	-	-	-	12	293.74
1996/97	2	57.00	3	275.20	-	-	-	-	-	-	5	332.20
1997/98	8	119.40	3	249.96	-	-	1	93.00	-	-	12	462.36
1998/99	3	148.00	1	30.00	1	80.00	-	-	-	-	5	258.00
1999/2000	6	412.46	3	124.60	-	-	-	-	-	-	9	537.06
2000/2001	6	268.50	3	365.79	-	-	-	-	-	-	9	634.29
2001/2002	10	528.76	4	387.87	1	140.00	1	360.00	-	-	16	1416.63
<b>Total</b>	<b>70</b>	<b>2190.97</b>	<b>19</b>	<b>1502.42</b>	<b>4</b>	<b>236.50</b>	<b>2</b>	<b>453.00</b>	<b>2</b>	<b>150.00</b>	<b>97</b>	<b>4532.89</b>
<b>Per cent</b>		<b>48.33</b>		<b>33.15</b>		<b>5.22</b>		<b>9.99</b>		<b>3.31</b>		

**Issue Approved at a Glance (Sectorwise)***(Fiscal Year 1993/94 to 2001/02)**(Rs. in million)*

Fiscal Year	Bank		Finance Company		Insurance Company		Mnfg. and Processing Company		Trading Company		Hotel		Other Company		Total	
	No	Amt. (Rs)	No	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)	No.	Amt. (Rs)
1993/94	1	36.00	4	115.80	2	36.00	7	104.20	-	-	-	-	3	52.40	17	344.40
1994/95	2	72.00	4	104.25	2	24.00	4	53.96	-	-	-	-	-	-	12	254.21
1995/96	-	-	8	95.12	-	-	4	198.62	-	-	-	-	-	-	12	293.74
1996/97	1	45.00	2	32.00	1	30.00	1	225.20	-	-	-	-	-	-	5	332.20
1997/98	1	241.95	6	50.50	1	20.00	3	146.90	1	3.01	-	-	-	-	12	462.36
1998/99	-	-	2	38.00	1	20.00	-	-	-	-	2	200.00	-	-	5	258.00
1999/2000	1	175.00	5	112.26	1	10.20	-	-	-	-	1	150.00	1	89.60	9	537.06
2000/2001	4	551.21	5	83.08	-	-	-	-	-	-	-	-	-	-	9	634.29
2001/2002	6	989.17	8	204.00	1	50.00	1	173.46	-	-	-	-	-	-	16	1416.63
<b>Total</b>	<b>16</b>	<b>2110.33</b>	<b>44</b>	<b>835.01</b>	<b>9</b>	<b>190.20</b>	<b>20</b>	<b>902.34</b>	<b>1</b>	<b>3.01</b>	<b>3</b>	<b>350.00</b>	<b>4</b>	<b>142.00</b>	<b>97</b>	<b>4532.89</b>
<b>Per cent</b>		<b>46.55</b>		<b>18.42</b>		<b>4.20</b>		<b>19.91</b>		<b>0.07</b>		<b>7.72</b>		<b>3.13</b>		<b>100</b>

## Appendix-4

*List of Listed Companies*

<i>S.N.</i>	<i>Name of the Company</i>	<i>Listing Date</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
<b><i>Bank</i></b>					
1	Nepal Bank Ltd.	1985/09/23	POB 36, Dharmapath, Ktm. E-mail : nbl@nbl.Wlink.com.np	221185,224337, 223793	222383
2	Nabil Bank Ltd.	1985/11/24	POB 3729, Nabil House, Kamaladi, Ktm. E-mail : nabil@nabil.com.np	429546,429547 435380-85	429548
3	Nepal Investment Bank Ltd.	1986/07/22	POB 3412, Darbar Marg, Ktm.	228229,242530	226349
4	Standard Chartered Bank (Nepal) Ltd.	1988/07/04	POB 3990, Naya Baneshwor, Ktm. E-mail : ANZ@Dixitu.com	246753,246754, 229333	226762
5	Himalayan Bank Ltd.	1993/07/05	POB 20590, Tridevi Marg, Thamel, Ktm. E-mail : hbl@hbl.mos.com.np	250201,227749 227745,227756	222800
6	Nepal SBI Bank Ltd.	1995/01/17	POB 6049, Hattisar, Kamalpokhari, Ktm. E-mail : nsblco@mos.com.np	435516, 435613	435612
7	Nepal Bangladesh Bank Ltd.	1995/12/24	POB 9062, Bijuli Bazar, New Baneshwor, Ktm. E-mail : nbbl@mos.com.np	490195,490698 490767, 490770	490824
8	Everest Bank Ltd.	1996/04/07	POB 13384, Naya Baneshwor, Ktm. E-mail : elb@mos.com.np	481018, 482578 470671	482263
9	Bank of Kathmandu Ltd.	1997/07/17	POB 9044, Kamal Pokhari, Ktm. E-mail : info@bok.mos.com.np	414541	418990
10	Nepal Industrial & Commercial Bank Ltd.	2000/06/13	Central Off. POB 252 Main Road, Biratnagar Email: nicb@brt.wlink.com.np City Off. New Road. POB 7367 Kath. Email: newroad@nicbank.com.np	021-21921  243718	021- 22748  2227507
11	Nepal Development Bank Ltd.	2001/12/31	POB 11017, Heritage Plaza, Kathmandu Email: ndb@ccsl.com.np	245740, 245759, 254639	245753
12	Development Credit Bank Ltd.	2002/06/13	POB 7716, Kathmandu Plaza, Kamaladi, Kath. Email: info@dcbl.com.np	231120, 231490	231469
<b><i>Finance Company</i></b>					
1	Nepal Industrial Development Corporation	1985/03/18	POB 10, Darbar Marg, Ktm. E-mail : nide@Wlink.com.np	228322	227428
2	Nepal Finance & Saving Co. Ltd.	1993/02/02	POB 6867, Kamaladimode, Putalisadak, Ktm. E-mail: nefinco@info.com.np	220031, 247020	241237
3	NIDC Capital Markets Ltd.	1993/06/28	POB 7423, Kamal Pokhari, Ktm. E-mail: ncml@wlink.com.np	423398,415958 423219	423401
4	National Finance Co. Ltd.	1993/07/06	POB 6942, Pako, New Road, Ktm. E-mail : nfc@nfcl.wlink.com.np	242302,228380 240134	222920
5	Nepal Share Markets Co. Ltd.	1993/10/28	POB 7958, Ram Shah Path, Ktm.	425864, 426984 430153, 250427	430109, 241696

<i>S.N.</i>	<i>Name of the Company</i>	<i>Listing Date</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
6	Annapurna Finance Company Ltd.	1994/09/22	POB 288, Chipledhunga, Pokhara - 4 E-mail : anapurna@afc.mos.com.np	061- 22671,24556	061- 25797
7	Kathmandu Finance Ltd.	1995/07/13	POB 5090, New Plaza, Putlisadak, Ktm.	430506, 430527	
8	Peoples Finance Ltd.	1995/08/07	POB 9416, K. K. M. Building, Tripureswor, Ktm. E-mail : finance@peoples.Wlink.com.np	255829, 262405, 252178	260951
9	Union Finance Co. Ltd.	1995/11/27	POB 9263, Kathmandu Plaza, X Block, Third Floor, Kamaladi, Ktm. E-mail : union@unlimit.com.np	240779, 240813, 231512	246551
10	Citizen Investment Trust	1995/12/26	POB 5823, Putalisadak, Ktm.	228759,240598	240645
11	Nepal Abas Bikash Bitta Co. Ltd.	1996/05/01	POB 5624, Naya Baneshwor, Ktm.	490259, 493753	
12	HISEF Finance Ltd.	1996/06/18	POB 8857 ,Siddhi Bhawan, Kantipath, Ktm. E-mail : hisef@Wlink.com.np	224188, 240082 248790	250195
13	Narayani Finance Ltd.	1996/06/25	City Office : POB 4861, Baluwatar, Ktm. Central Office : POB 03, Sahid Chowk, Narayanghat, Chitwan E-mail : narayani@nafil.mos.com.np	422554  056-20313, 20345	426690  056- 22230
14	Ace Finance Co. Ltd.	1996/11/20	POB 13383, Kantipath, Ktm E-mail : ace@mos.com.np	249396,249388 266101,266102	249477
15	Yeti Finance Co. Ltd.	1997/01/23	POB 35,Main Road, Hetauda, Nepal Contract Office: Teku, Kath, 240711,226423	057-20822, 21842	057- 21842
16	Gorkha Finance Co. Ltd.	1997/02/19	POB 10951, Siddhi BhowanKantipath, Ktm.	222508, 220337-38	258239
17	Shamjana Finance Co. Ltd.	1997/03/28	City Office : POB 10457 Ward No. 30 Kamalakshi , Ktm. Head Office : Banepa, Kavre	231051  011-61207	231050
18	Universal Finance & Capital Markets Ltd.	1997/04/10	POB 12396, Kamalachhi, Ktm.	230234, 240998, 245860	245895
19	Nepal Housing & Merchant Finance Ltd.	1997/08/08	POB 10609, Batule ghar, Dillibazar, Ktm. E-mail : nhmf@ccsl.com.np	430528, 430838, 436182	436183
20	General Finance Ltd.	1998/04/20	Central Office: POB 20258Chabahil, Ktm. Branch Office: New Road (Ranjana Galli), Ktm.	484753,484754 258880	484753
21	Mahalaxmi Finance Ltd.	1998/08/31	POB 65, Alikiiya Road, Birgunj	051- 23271,29143	051- 24340
22	Lalitpur Finance Co. Ltd.	1998/10/08	GPO 8975, EPC 585, Lagankhel, Lalitpur Email: lalitpur@fclWlink.com.np	536598, 523850	531916
23	Goodwill Finance & Investment Co. (Nepal) Ltd.	1998/12/22	POB 8867 Dillibazar, Ktm. Email: goodwill@FinanceWlink.com.np	422290, 422878	416052
24	Pashchimanchal Finance Co. Ltd.	1999/05/20	POB 11, Butwal, Rupandehi	071- 41609,43924	071- 41924
25	Pokhara Finance Co. Ltd.	1999/09/02	POB;470, Gairapatan, Pokhara Email: :pfl@ Pofil.mos.com.np	061- 24942,24975 31145	31610
26	Lumbini Finance & Leasing Co. Ltd.	2001/01/08	POB 11503, Tridavi Marga, Thamel, Ktm.	423443, 423445	425655

<i>S.N.</i>	<i>Name of the Company</i>	<i>Listing Date</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
27	Siddhartha Finance Ltd.	2001/06/20	Siddhartha Nagar, Bhairahwa Contact Office: Ramshahpath, Ktm. Email: sfil@mos.com.np	071-21478, 231689	071- 23272
28	Nepal Merchant Banking & Finance Ltd.	2001/06/20	POB 11543, I.J. Plaza, Darbarmarg, Ktm. Email: nmb@Wlink.com.np	246160	246156
29	Alpic Everest Finance Ltd.	2001/10/12	POB 12034, Aradhana Complex, Bagbazar, Ktm. Email: alpic@info.com.np	241605, 228470	241605
30	Nepal Bangladesh Finance & Leasing Co. Ltd.	2001/10/12	Head Off: Main Road, Biratnagar, Liaison Off: POB 21754, New Banashwor, Ktm.	021-30903, 30972 490195, 490770	021-21851
<b><i>Insurance Company</i></b>					
1	Rastriya Beema Sansthan	1984/11/08	POB 527, Ramsaha Path, Ktm. E-mail : beema@Wlink.com.np	213943, 247385, 247386, 240320	262610
2	Nepal Insurance Co. Ltd.	1984/11/08	POB 3623, NIC Building, Kamaladi, Ktm. E-mail : nic@wlink.com.np	221353,245565/ 68	225446
3	National Life & General Insurance Co. Ltd.	1988/12/20	POB 4332, Lazimpat, Ktm.	412625,416556, 418113,426002	416427
4	Himalayan General Insurance Co. Ltd.	1994/01/26	POB 148, Darbar Marg, Ktm. E-mail : ktm@hgi.com.np	231788, 231581	223906, 226604
5	United Insurance Co.(Nepal) Ltd.	1994/08/01	POB 9075, I.J. Plaza, Darbar Marg, Tindhara Pathashala, Ktm. E-mail : uic@dmarg.mos.com.np	230958, 240957, 246686, 220492	246687
6	Everest Insurance Co. Ltd.	1995/04/03	POB 10675, Siddhi Bhawan, Kantipath, Ktm. E-mail : eveinsco@mos.com.np	240363,243631 255679,255680	240083
7	Premier Insurance Co. Ltd.	1995/05/03	POB 9183, Ram Rukmani Sadan, Kamaladi, Ramsah Path, Ktm. E-mail : premier@picl.com.np	417765,420549, 420659	420554
8	Neco Insurance Co. Ltd.	1998/03/30	POB 12271, Hattisar, Laldarbar, Ktm. E-mail : info@necoins.mos.com.np	427354,427355	418761
9	Alliance Insurance Co. Ltd.	2000/04/14	City Off Kings way, Ktm. Redg Off. POB 10811. Sitapaila, Ring Road. Email: SK@aicwlink.com.np	222836,253166 272264,273740 274467	241411
10	Sagarmatha Insurance Co. Ltd.	2001/03/15	POB 12211, Kathmandu Plaza, Kamaladi, Email: sagarmatha@insuranceWlink.com.np	240896,241245, 247941	247947
11	N.B. Insurance Co. Ltd.	2001/04/13	Bagbazar, Ktm.	418862	
<b><i>Hotel</i></b>					
1	Yak & Yeti Hotel Ltd. Ordinary Share Preference Share	1984/10/22 1994/04/11	POB 1016, Lal Darbar, Darbar Marg, Ktm. E-mail : businesscentre@yakandyeti.com	248999,240520	227782
2	Soaltee Hotel Ltd.	1993/02/07	POB 3800, Tahachal, Ktm. E-mail : shl@shicp.com.np	273999	272206

<i>S.N.</i>	<i>Name of the Company</i>	<i>Listing Date</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
3	Taragaon Regency Hotels Ltd. Ordinary & Preference Share (Promoter) Ordinary & Preference Share (Public)	1998/10/13 1999/11/18	POB 9604, Boudha, Ktm.	491234	470409, 481786
4	Oriental Hotels Ltd.	2001/08/21	POB 2269, Lazimpat, Ktm.	411818, 423888	411720
<b><i>Manufacturing and Processing Company</i></b>					
1	Nepal Battery Co. Ltd.	1984/06/21	POB 3194, BID, Balaju, Ktm. E-mail : eveready@mos.com.np	350909, 350954	350913
2	The Juddha Match Factory (Biratnagar) Ltd.	1985/07/23	Office : Rainbasera, Gangapath, Ktm. Fact.: Rani, Mills Area, Biratnagar, Morang	221574	
3	Morang Sugar Mills Ltd.	1985/10/01	Head Office: POB 33, Rani, Mills Area, Biratnagar-20 Branch Office: POB 483, Salt Trading Corporation Ltd. Building Kalimati, Ktm.-13	021-22733   24792 271418	021- 26517 271704
4	Nepal Plywood & Bobbin Co. Ltd.	1985/10/30	Office : Rainbasera, Gangapath, Ktm. Head Office : Purniya, Biratnagar, Morang	221574, 22776	
5	Himal Cement Co. Ltd.	1986/07/28	POB 321, Chovar, Ktm.	331761-4, 330958	
6	Bottlers Nepal Ltd.	1986/11/05	POB 2253, BID Balaju, Ktm.	350602,351871	350227
7	Nepal Lube Oil Ltd.	1986/12/14	Corporate Off : POB 1916, Chaudhari Tower, Jhamishikhel, Lalitpur. Fact.: Amlekhgunj, Bara E-mail : cg_gulf@mos.com.np	545891-95 053-29104	244763 053-29104
8	Biratnagar Jute Mills Ltd.	1986/12/14	Office : Dillibazar, Ktm. Fact. : Mills Area, Biratnagar - 20, Morang	423246 021-25058, 23243,23246-48	021- 30242
9	Nepal Banaspati Ghee Udyog Ltd.	1988/06/05	City Office : POB 483, Kalimati, Ktm. Fact. : POB 8, HID, Hetauda, Narayani Zone E-mail : santintd@Wlink.com.np	271270,271418 057- 20369,20660, 20752, 20753	271704 057-20751
10	Sri Raghupati Jute Mills Ltd.	1988/06/17	Head Office : POB 22, Golchha House, Main Road, Biratnagar Fact.: POB 114, Mills Area,Rani, Biratnagar E-mail : raghujm@ccls.com.np	021-30316 021-24896	021- 24809
11	Butwal Dhago Karkhana Ltd.	1988/11/14	City Office : POB 3550, Anamnagar, Ktm. Head Office : POB 37, Ramnagar, BID, Butwal	251295,252537 071-40963	251293 071- 40308
12	Gorakhkali Rubber Udhog Ltd.	1991/03/08	Office : POB 1700, Kalimati, Ktm. Fact.: Majuba, Deurali, Gorkha E-mail : gral@wlink.com.np	271102,274537 065-40069	270367 40080
13	Jyoti Spinning Mills Ltd. Ordinary Share Preference Share	1991/09/27 1991/09/27	GPO Box 133, Jyoti Bhawan, Kantipath, Ktm. Fact. Jyoti Firm, POB No.1, Parwanipur, Birgunj E-mail : jsml@jyoti.mos.com.np	227517, 225490 051-39405/7/8	224720, 226314 051- 39409

<i>S.N.</i>	<i>Name of the Company</i>	<i>Listing Date</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
14	Bottlers Nepal (Terai) Ltd.	1991/11/07	Office: POB 2253 BID Balaju, Ktm.. Fact: POB: 20, Bharatpur-9, Chitwan	350602 20416, 20031	350227 20316
15	Arun Vanaspati Udyog Ltd.	1991/12/16	Office : GPO 363, Golchha House, Ganabahal, Ktm. Fact: POB 24, 25 Duhabi, Sunsari M.D.'s Office : Golchha House, Main Road, Biratnagar E-mail : ovul@csl.com.np E-mail : golcha@csl.com.np	250001,221101 025-40049/50/51 021-25310, 25081	224823 021- 24395 021- 24395
16	Sayapatri Colour Lab. Co. Ltd.	1992/09/03	Ward No. 1, Jamal, Ktm.	227692	
17	Harisiddhi Brick & Tiles Factory Ltd.	1994/05/05	City Office : POB 476, Kamaladi, Ktm. Fact. : Harisiddhi, Lalitpur E-mail : nbgroup@mos.com.np	41344,248327 22637, 240698 21451, 521178	240665  522776
18	Nepal Lever Ltd.	1994/09/22	Corporate Off: POB 7765 Heritage Plaza, Ktm. Fact.: POB 11, Hetauda, Makawanpur E-mail : nilktm@mos.com.np	53351, 269218 57-21632, 1958	254097 057- 20655
19	Khadhya Udyog Ltd.	1994/11/25	City Office :POB 483, Kalimati, Ktm. Fact : POB 6, Hetauda Industrial District E-mail : noonkath@mos.com.np	271395 057-20127, 20315	271704 057- 20276
20	Birat Shoe Ltd. Ordinary Share Preference Share	1994/10/25 1994/10/25	Head Office : POB 1887, Dillibazar, Ktm. Fact.: Budhanilkantha, Ktm.	418429 371666, 290666	414859
21	Nepal Med Ltd.	1995/01/17	POB 6943, Ktm.	214083	
22	Ace Laboratories (Nepal) Ltd.	1995/03/21	City Office : POB 4250, Dhakhwa Building (First Floor), Dharmapath, Ktm. Fact. : POB 110, Simara, Bara, Birgunj E-mail : acelabnp@Wlink.com.np	252908, 241501, 230681 230681 053-20229	222911
23	Himgiri Textile Industries Ltd.	1995/05/28	Registered Office: Ward No. 7, Birgunj Cont. Off. POB.2441, Ranjana Galli, Kath. Birgunj Office: POB, 32, Adersa agar,Birgunj Fact.: Parwanipur, Parsa	250015, 230429 21184, 21884 051-22799	225406 224484
24	Shree Bhrikuti Pulp and Paper Nepal Ltd.	1997/06/01	Head Office: POB 3259, Naya Baneswor, Ktm. Fact.: Gaidakot, Nawalparasi Email: bhrikuti@mos.com.np	86155,471030 56-20230, 20266	472443 056- 21176
25	Fleur Himalayan Ltd.	1997/09/03	Mkt. Office : Gha -3, Pulchowk, Latitpur (Near Hotel Narayani) Fact.: Adarsha Nagar, Birgunj E-mail : nplmkt@Wlink.com.np	529436,529059  051-21097	529434  051-22084
26	Leatherage Bansbari Tannery and Shoe Factory Ltd.	1998/04/01	Fact.: Ward No. 5, Khirindpur, Chanauta, Krishna Nagar	076-20166	076- 20166
27	Sri Ram Sugar Mills Ltd. Ordinary Share Debenture	1999/04/18 1999/04/18	Registered Off:Golchha House,Ganabahal,Ktm. Fact:Mahammadpur (Garuda), Rautahat District E-mail : sriram@golchha.com	250001, 250004 055-29506	249723  055-29504
28	Nepal Bitumen and Barrel Udhyog Ltd.	1999/05/10	City Office: POB 4508, Pulchok, Lalitpur Fact.: Amlekhgunj, Bara E-mail: bitumin@panchakanya.mos.com.np	536311, 520343 053- 29103	536815 053- 29109

<i>S.N.</i>	<i>Name of the Company</i>	<i>Listing Date</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
<b>Trading Company</b>					
1	Bishal Bazar Co. Ltd.	1984/11/08	POB 4565, Sukra Path, Ktm.	242185,222423 228343	248893
2	Salt Trading Corporation Ltd.	1984/11/08	POB 483, Kalimati, Ktm. Email: noonkath@mos.com.np saltkath@mos.com.np	270315,271208, 271014	271704, 271395
3	Nepal United Co. Ltd.	1988/06/15	POB 1389, 6/286, Ganabahal, Ktm.	249453,250009	249980
4	Plastic Trading Co. Ltd.	1989/07/25	POB 4871, Teku, Ktm.	262258	
5	Nepal Byapar Co. ( Koshi ) Ltd.	1989/09/14	POB 135, Ward No. 17, Biratnagar, Morang	021-25119,25289	
6	Nepal Byapar Bikash Co. Ltd.	1990/09/04	POB 2714, Kuleshwor, Ktm.	283007,224514	226134
7	Nepal Trading Ltd.	1992/12/18	POB 7146, Chakra Path, Sanepa, Lalitpur	522941	535730
8	Nepal Welfare Company Ltd.	1994/12/12	POB 9478, Maitidevi, Ktm.	429406	
<b>Other</b>					
1	National Productivity & Economic Development Centre Ltd.	1989/06/18	POB 1318, BID Balaju, Ktm. E-mail : npedc@Wlink.com.np	350522,350566 350567	350530
2	Necon Air Ltd. Ordinary Share Preference Share	1994/05/09 1994/05/09	POB 10038, Baneswor, Neco Complex Building 3 <sup>rd</sup> Floor, Ktm. E-mail : info@necon.mos.com.np	473860	471679
3	Nepal Film Development Co. Ltd.	1996/07/15	GPO 549, Balaju Industrial Estate, Ktm. E-mail : nfdc@complex.mos.com.np	350113, 350947	350511

## Appendix-5

*List of Securities Businesspersons*

<i>S. N.</i>	<i>Name of Securities Businessperson</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
<b>Broker</b>				
1	Kumari Securities (P) Ltd.	POB 20189, Dillibazar, Ktm.	418369, 418036	
2	Arun Securities (P) Ltd.	POB 8136, Putlisadak, Ktm.	420323,470583	420572
3	Opel Securities (P) Ltd.	Ramshah Path, Ktm.	423509	
4	Market Securities and Exchange Co. (P) Ltd.	Dharmapath, Ktm.	248973	
5	Agrawal Securities (P) Ltd.	POB: 4760 Kamaladi, Tukucha, Ktm	430780,222332	
6	Aashutosh Brokerage & Securities (P) Ltd.	Khichapokhari, Ktm.	227510,220276	240162
7	Pragyan Securities (P) Ltd.	POB:10087, Gaushala, Ktm.	491683,498234	
8	Malla and Malla Stock Broking Co. (P) Ltd.	Dillibazar, Ktm.	414263,416050	
9	Om Securities and Allied Services (P) Ltd.	POB 2654, New Plaza, Ktm.	431386, 438208	
10	Annapurna Securities Service (P) Ltd.	Putalisadak, Ktm.	411314,423692	420572
11	Nepal Stock House (P) Ltd.	POB: 8978Anamnagar, Ktm.	245012	255732
12	Nikhil Securities (P) Ltd.	Maitighar, W.No. 32, Ktm.	433679,421726	
13	Primo Securities (P) Ltd.	POB 748, Putalisadak, Ktm.	230787	
14	Khandelwal Stock Broking Co. (P) Ltd.	Tahachal, Ktm.	242451	
15	Sagarmatha Securities (P) Ltd.	Kha 2/450, Putalisadak, Ktm.	223208	
16	Nepal Investment & Securities Trading (P) Ltd.	Maitidevi, Ktm.	413201,495450	
17	Sipla Securities (P) Ltd.	6/50 New Road, Ktm.	255077,255078	255580
18	Midas Stock Broking Co. (P) Ltd.	W.No. 13, Kalimati, Ktm.	414263,416050	
19	Siprabi Securities (P) Ltd.	POB 5705, Ktm.	479749	
20	Shiva Shakti Stock & Investment (P) Ltd.	POB 1979, Kamaladi, Ktm.	221123,98102167	223145
21	Sweta Securities (P) Ltd.	RadhaKuti Arcade, Putalisadak, Ktm.	482818,432333	
22	Asian Securities Ltd.	Kha2- 691, Adwait Marg, Ktm.	240609,258160	241817
23	Sri Krishna Securities Ltd.	Dhakhwa Building, New Road Ktm.	222596, 227363	224889
24	Trishul Securities & Investment Ltd.	Putalisadak, Ktm.	421457	438197
25	Yeti Securities Co. Ltd.	Putalisadak, Ktm.	413166	
26	J.F. Securities (P) Ltd.	POB 6748, Putalisadak, Ktm.	231339	266422
27	Premier Securities Co. Ltd.	POB: 11185, Ramshahpath, Ktm.	231339,526452	266422
<b>Issue Manager</b>				
28	National Finance Co. Ltd. (NFC)	Pako, New Road, Ktm.	228380	222920
29	Rastriya Banijya Bank (RBB)	Bishal Bazar, Ktm.	228336	225302
30	Ace Finance Co. Ltd. (AFCL)	Kanti Path, Ktm.	249396	249477
31	NIDC Capital Markets Ltd. (NCML)	Kamal Pokhari, Ktm.	423219	423401
32	Citizen Investment Trust (CIT)	Addwait Marg, Ktm.	228759	240645
33	Nepal Merchant Banking & Finance Ltd (NMB)	Darbar Marg, Ktm.	246160	246156
34	Nepal Finance & Saving Co. Ltd.	Kamaladi, Ktm.	220031, 247020	241237
35	Nepal Share Markets & Finance Ltd.	Putalisadak, Ktm.	425864	430109

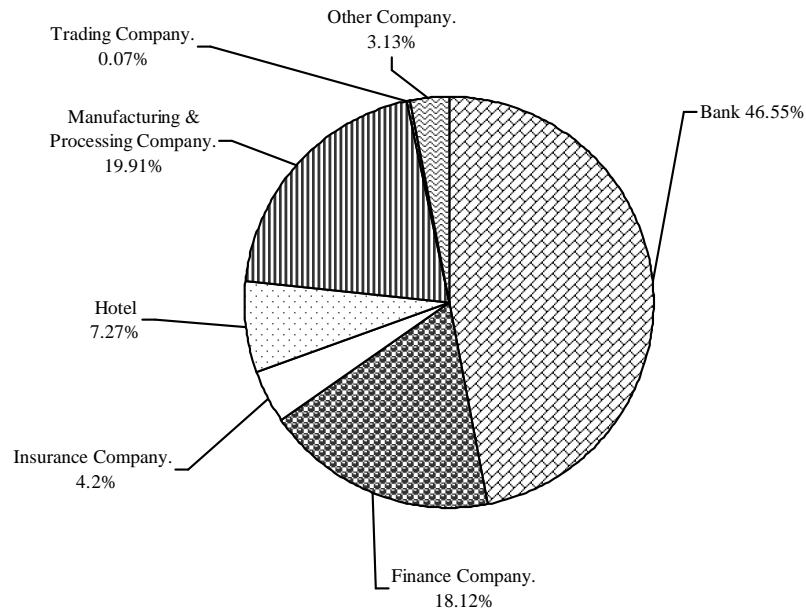
<i>S. N.</i>	<i>Name of Securities Businessperson</i>	<i>Address</i>	<i>Tel. No.</i>	<i>Fax No.</i>
<b><i>Issue Manager and Securities Dealer</i></b>				
36	Nepal Sri Lanka Merchant Bank Ltd. (NSLMB)	Kamaladi, Ktm.	227555	240674
37	United Finance Ltd. (UFL)	Darbar Marg, Ktm.	241648	241645

**No. of Securities businessperson From Fiscal Year 1993/94 to 2001/02**

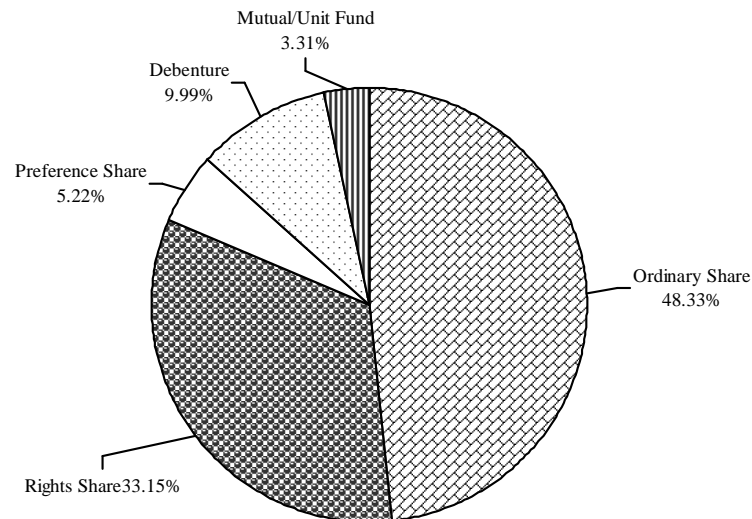
<i>Securities Businessperson</i>	<i>Fiscal Year</i>								
	<i>1993/94</i>	<i>1994/95</i>	<i>1995/96</i>	<i>1996/97</i>	<i>1997/98</i>	<i>1998/99</i>	<i>1999/00</i>	<i>2000/01</i>	<i>2001/02</i>
Securities Broker	25	31	31	30	28	28	27	27	27
Issue manager	-	-	-	11	11	10	10	10	10
Market maker	5	6	6	4	3	2	3	1	-
Securities Dealer				4	4	2	2	2	2
Total	30	37	37	49	46	42	41	40	39

***Public Issue Approval***  
***(Fiscal Year 1993/94 to 2001/02)***

**Sectorwise Public Issues Approved**

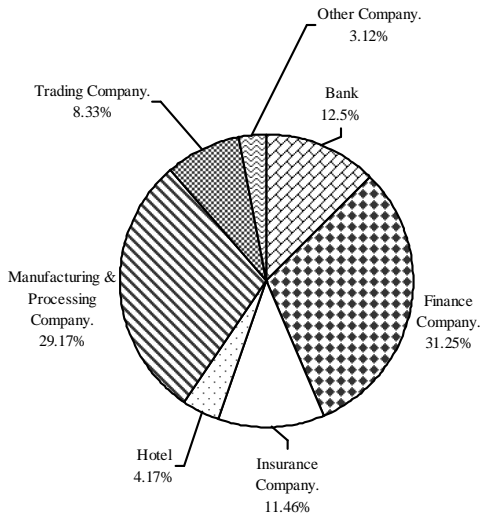


**Instrumentwise Issues Approved**

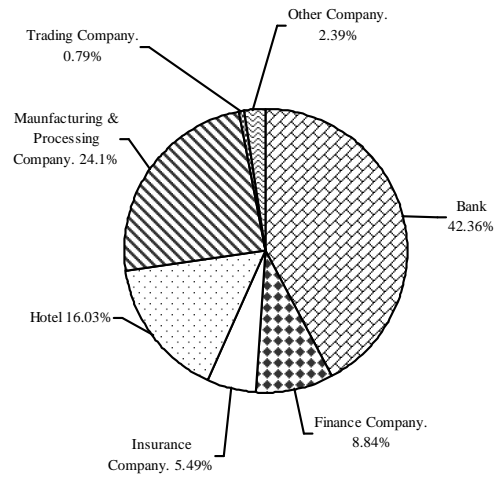


## Listed Company, Paid-up Value, Annual Turnover and Market Capitalization (Fiscal Year 2001/2002)

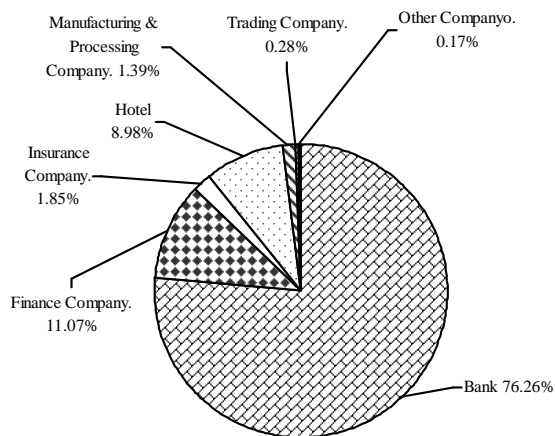
**Listed Companies**



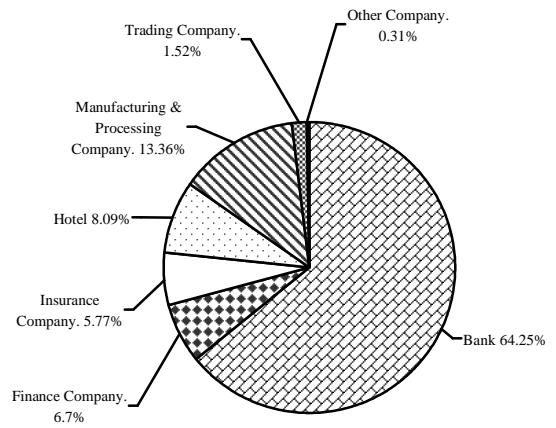
**Paid-up Value**



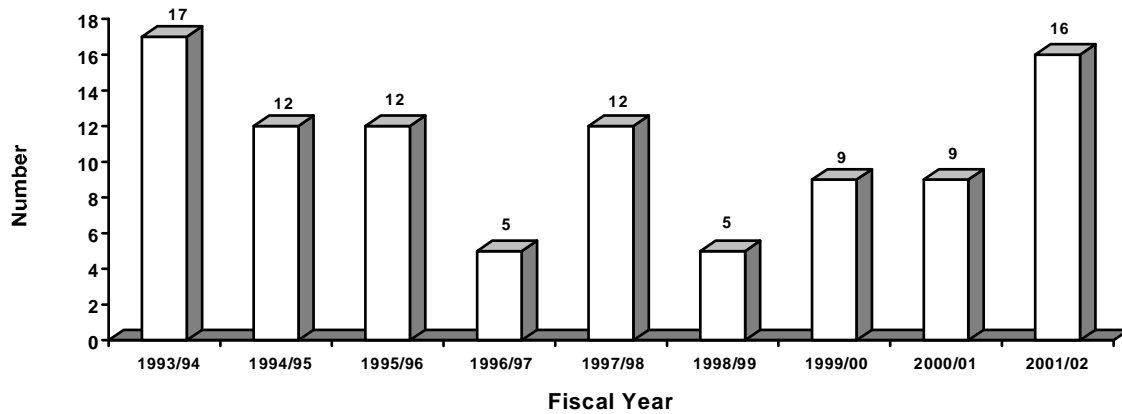
**Annual Turnover**



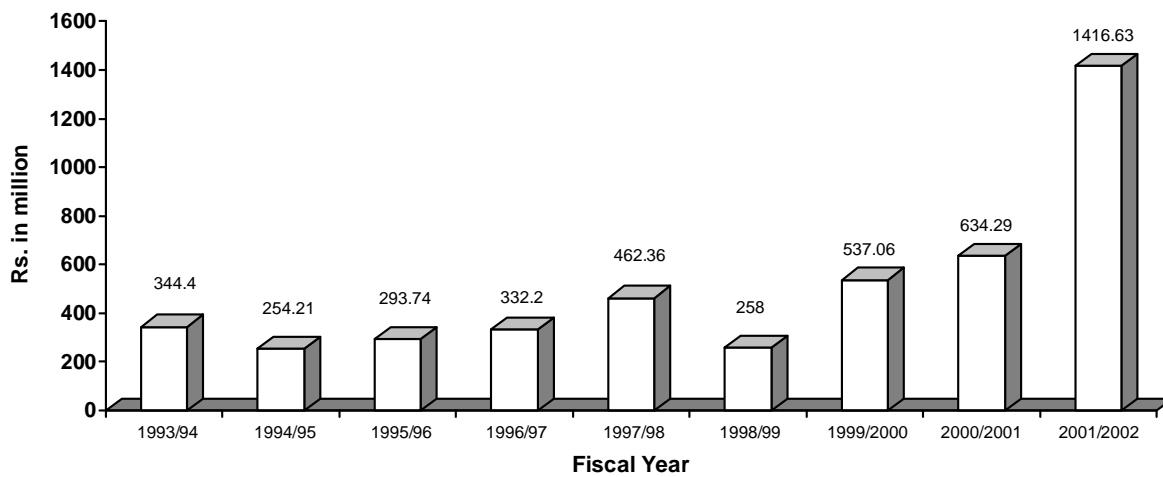
**Market Capitalization**



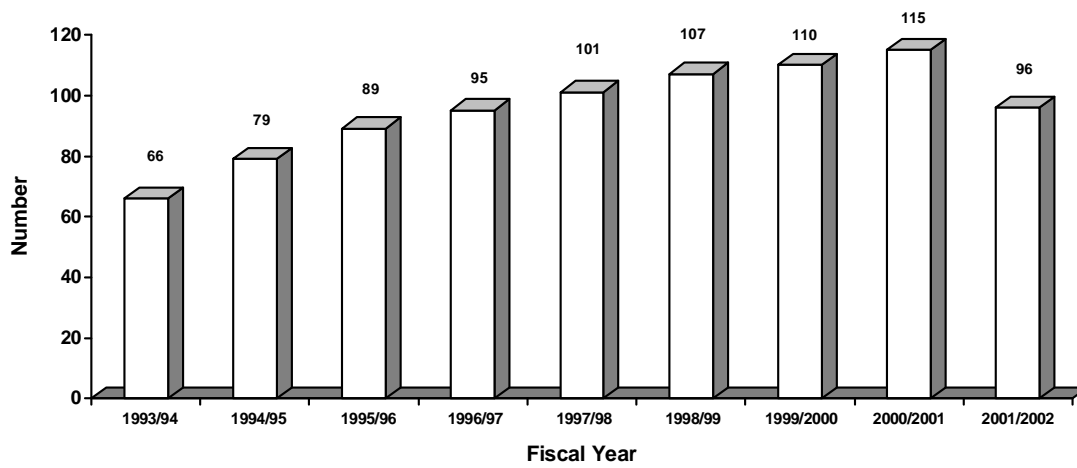
### Number of Issue Approval



### Amount of Issue Approval

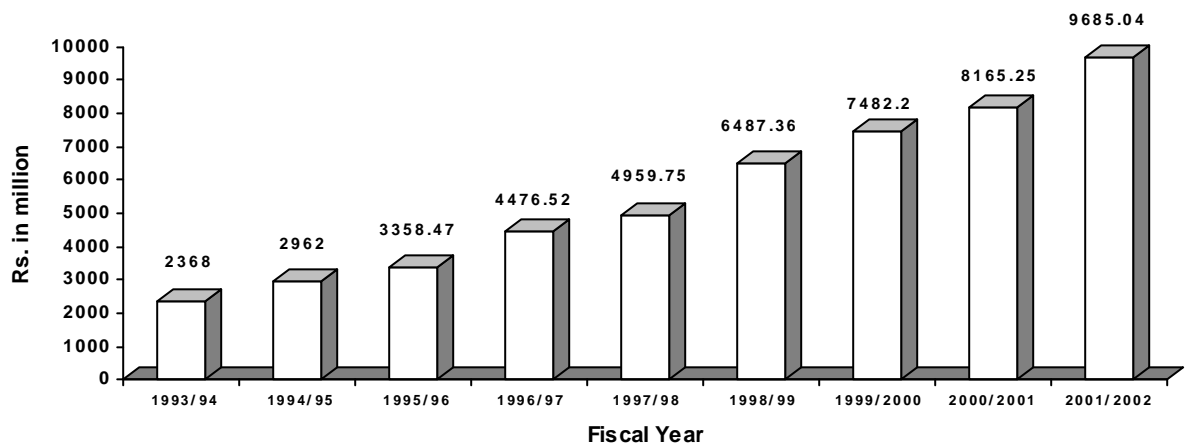


### Number of Listed Companies

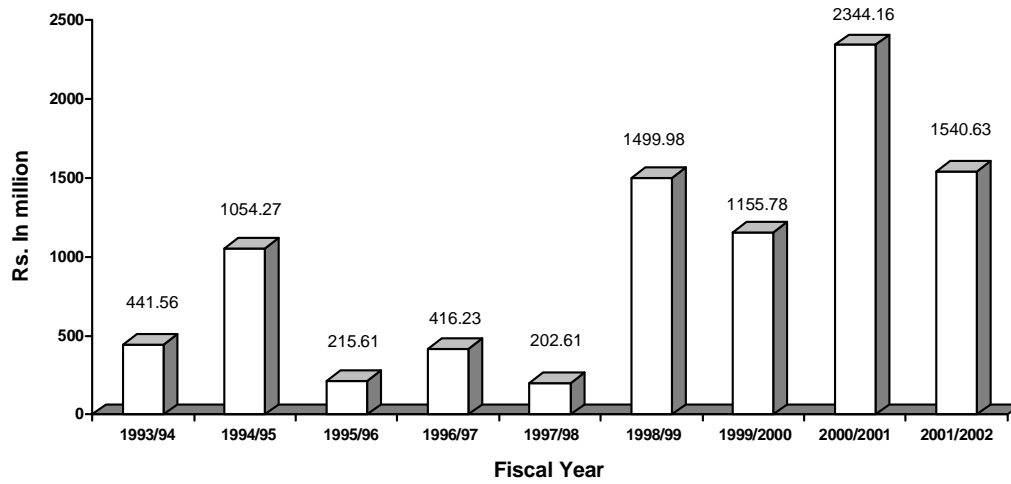


*Note: NEPSE delisted 25 companies in the fiscal year 2001/02*

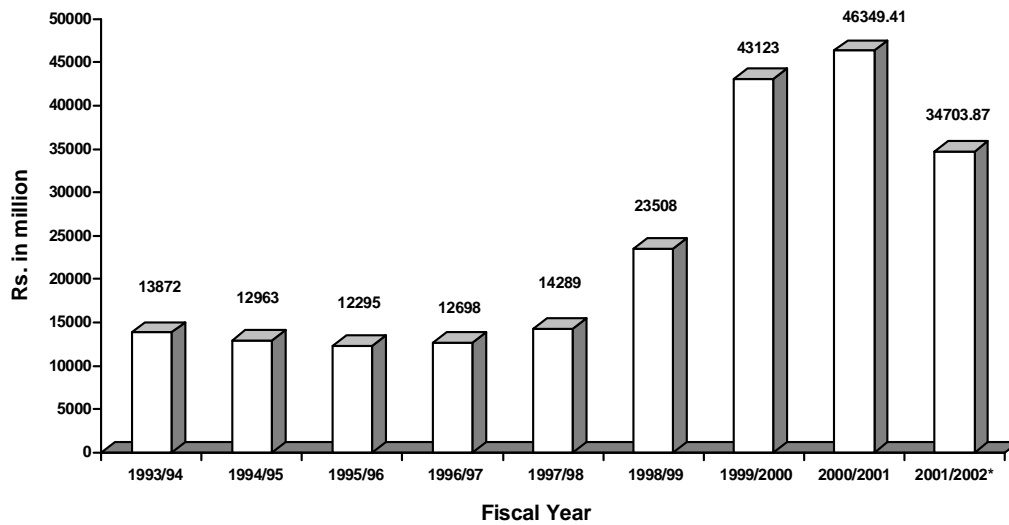
### Paid-up Value



## Annual Turnover



## Market Capitalization



### NEPSE Index

