

Securities Board, Nepal

(Established by HMG/N under the Securities Exchange Act, 1983)

Annual Report

Fiscal Year 2003/2004

BRIEF ECONOMIC OUTLINE

- **World Economy**
- **Nepalese Economy**

1. Brief Economic Outline

1.1 World Economy

Year 2003 observed slackness in world trade and industrial production as well as decline in share market along with unfavourable events like war in Iraq and the SARS disease. Despite these the world economic growth in 2003 reached 3.9 percent, which could be attributed to the expanding financial and monetary policies adopted by United States of America and South East Asian countries. International Monetary Fund (IMF) on the basis of its observation of increase in world trade and industrial production as well as vibrant financial market and encouraging progress in the economy of United States of America and evolving economically sound nations of Asia, estimated that the world economic growth rate would increase and reach to 4.6 percent in 2004.

The economic growth rate of the developed countries increased in 2003 in comparison to that of 2002 and reached 2.1 percent. This rate is estimated to further increase in 2004. Likewise, the economic growth rate of the developing countries has also increased as estimated and reached to 6.1 percent in 2003.

In 2003, the economic growth rate of South Asian countries increased remarkably compared to that of 2002 and reached to 7.0 percent. There has been remarkable improvement noted in the economic growth rate of India. Likewise, Pakistan and Bangladesh also have shown some improvement. The economic growth rate of these three countries is estimated to remain stable in 2004.

Table 1: Economic Growth

(Annual Growth Percent)

| S.N. | Economy | Year | | |
|------|-------------------------|------|------|-------|
| | | 2002 | 2003 | 2004* |
| 1 | Global Production | 3.0 | 3.9 | 4.6 |
| 2 | Developed Economies | 1.7 | 2.1 | 3.5 |
| 3 | Developing Countries | 4.6 | 6.1 | 6.0 |
| 4 | China | 8.0 | 9.1 | 8.5 |
| 5 | South Asia ¹ | 4.6 | 7.0 | 6.5 |
| 6 | India | 4.7 | 7.4 | 6.8 |
| 7 | Bangladesh | 4.9 | 5.4 | 5.8 |
| 8 | Pakistan | 4.4 | 5.5 | 5.4 |

Source: Economic Survey 2003/04

* Estimated

¹ Bangladesh, India, Maldives, Nepal, Pakistan, Sri Lanka.

1.2 Nepalese Economy

The Nepalese economic growth rate in the fiscal year 2002/03 was initially estimated to be 2.3 percent. However, this has been revised and it is now estimated to be 3.1 percent. Fiscal year 2003/04 from the security view point has been a turbulent year, however, compared to the fiscal year 2002/03 the economic indicators like gross national income, savings, investment and consumption have shown improving trend and it has been estimated that the economic growth rate has reached 3.7 percent.

Table 2: Nepalese Economic Indicator

(Producers' Current Price)

| S.N. | Indicator | Fiscal Year | | |
|------|---|-------------|----------|-----------|
| | | 2001/02 | 2002/03* | 2003/04** |
| 1 | Economic Growth Rate (Percent) | -0.6 | 3.1 | 3.7 |
| 2 | Gross Domestic Product (Growth rate) | 2.8 | 7.7 | 8.8 |
| 3 | Gross National Income (Rs. in Million) | 40563.2 | 43553.1 | 47242.4 |
| 4 | Gross National Saving (Rs. in Million) | 44067.6 | 47112.9 | 50783.8 |
| 5 | Gross Domestic Saving (Rs. in Million) | 6915.0 | 6894.1 | 7344.8 |
| 6 | Total Domestic Saving (Rs. in Million) | 5077.5 | 5274.7 | 6049.3 |
| 7 | Total Investment (Rs. in Million) | 10166.8 | 11750.4 | 13210.7 |
| 8 | Total Consumption (Rs. in Million) | 37156.6 | 40218.8 | 43439.0 |
| 9 | Foreign Trade [#] (Rs. in Million) | 17428.27 | 11398.51 | 12296.03 |
| | a. Import [#] (Rs. in Million) | 12435.21 | 8019.29 | 8786.76 |
| | b. Export [#] (Rs. in Million) | 4993.06 | 3379.22 | 3509.27 |
| 10 | Total Fixed Capital Formation (Growth rate) | 4.6 | 6.5 | 6.5 |
| | a. Fixed Capital Formation in Private Sector | 2.5 | 12.4 | 6.5 |
| | b. Fixed Capital Formation in Public Sector | 6.0 | -2.5 | 6.4 |
| 11 | Total Loan of Commercial Banks [#] (Growth rate) | 4.1 | 11.0 | 7.1 |
| | a. To HMG/N [#] (Growth rate) | 4.6 | 25.1 | 8.1 |
| | b. To Public Sector [#] (Growth rate) | -4.0 | -6.3 | 15.7 |
| | c. To Private Sector [#] (Growth rate) | 4.4 | 9.5 | 6.1 |

Source: Economic Survey 2002/03

[#] As at mid March

* Revised Estimate

** Preliminary Estimate

In the first eight months of the fiscal year 2003/04, the total foreign trade increased in comparison to that of the first eight months of the last fiscal year. However, in the fiscal year 2003/04, total import being higher than total export, the total trade deficit increased by 13.7 percent and reached Rs. 52770.00 million. During the first eight months of the fiscal year 2003/04, the trade deficit increased by 27.4 percent.

In the fiscal year 2003/04, some indications of stability were noted in the trend of total capital formation. In this fiscal year, increment in the total fixed capital formation was estimated to be 6.5 percent, same rate as that of the last fiscal year. However, as the growth rate of GDP being higher than the growth rate of total capital formation, it has been estimated that the ratio of total capital formation to the GDP in this fiscal year has marginally decreased to 18.7 percent from 19.1 percent of the last fiscal year. In this fiscal year, increment rate of total fixed capital formation of both the private as well as public sector were estimated to remain almost equal. In the last fiscal year, the fixed capital formation of private sector increased by 12.4 percent where as that of the public sector decreased by 2.5 percent.

Among the monetary indices, total credit and investment of the commercial banks increased by 7.1 percent during the period of first eight months of the fiscal year 2003/04, whereas in the same period of the last fiscal year, it had increased by 12.1 percent. Of the total credit and investment, level of credit to HMG/N from commercial banks during this period increased by 8.1 percent, which had increased by 25.1 in the same period of the fiscal year 2002/03. During the review period of this fiscal year, the credit to the Government Enterprises from the commercial banks increased by 15.7 percent, which had decreased by 6.3 percent during the corresponding period of the fiscal year 2002/03. During the period of first eight months of the fiscal year 2003/04, the credit and investment of commercial banks to the private sector increased by 6.1 percent, which had increased by 9.5 percent during the corresponding period of the fiscal year 2002/03.

SECURITIES BOARD (SEBO)

2. Securities Board (SEBO)

SEBO was established as an apex regulator of the securities market in Nepal by HMG/N on June 7, 1993, under the Securities Exchange Act, 1983. The main objective of SEBO is to regulate and promote the securities market and protect investors' rights.

As per the Securities Exchange Act and regulation, following are the major functions of SEBO.

- Develop and implement policies and programmes for the development of securities market and advice HMG/N in this regard.
- Register securities and grant issue approval.
- Provide license to corporate bodies to operate stock exchange business.
- Provide license to operate securities businesses.
- Supervise and monitor stock exchange and securities businesspersons.
- Conduct research, study and awareness programmes regarding securities market.

A Board composed of seven members including a Chairman governs SEBO. The board has representatives from government line ministries and institutions as well as private sector. The Chairman of SEBO is appointed by HMG/N for a tenure of four years. 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 Association of Chartered Accountants of Nepal. In this fiscal year, a total of 18 board meetings were held.

From September 01, 2003, Mr. Deepak Raj Kafle has been undertaking the responsibilities of the Chairman of SEBO. Earlier, Mr. Dambar Prasad Dhungel was the Chairman.

In the board, in place of Mr. Harsha Raman Upadhyaya, representative from the Ministry of Finance, Mr. Shakti Prasad Pandit has been representing from September 18, 2003. Likewise from Nepal Rastra Bank Mr. Krishna Bahadur Manandhar has been representing from February 04, 2004. Earlier, Mr. Sudarshan Raj Poudyal was representing the bank. Mr. Rabin Pradhan has represented Association of Chartered Accountants of Nepal during the period from November 16, 2003 to April 22, 2004 in place of Mr. Narayan Bajaj, whereas from April 23, 2004 Mr. Gyanendra Bahadur Bhari has been representing Association of Chartered Accountants of Nepal.

Representation in the board during the fiscal year 2003/04 is given in table 3.

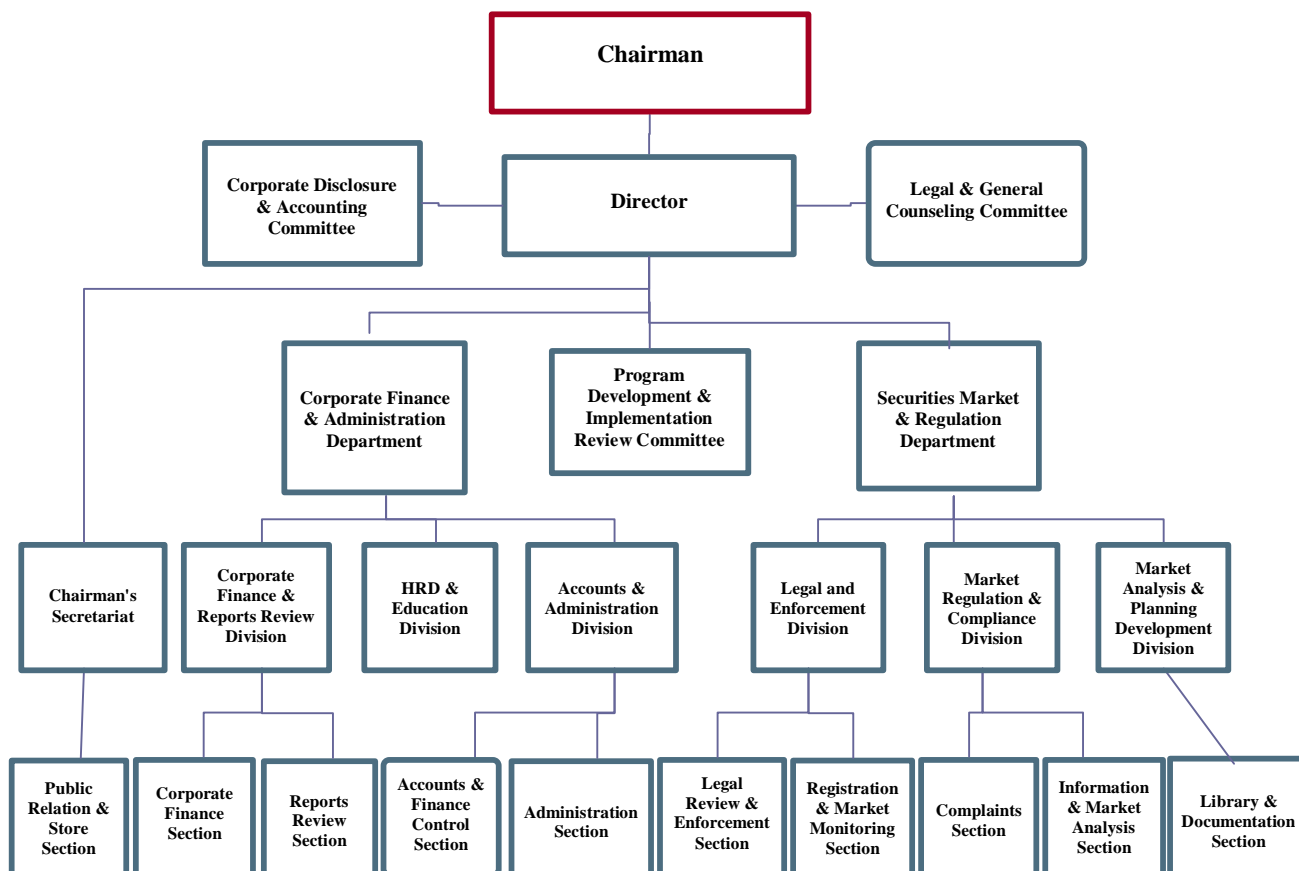
Table 3: Representation in the Board during the Fiscal Year 2003/04

| S.N. | Organization | Name | Designation | Date/duration of Representation |
|------|---|-------------------------------|----------------------|---------------------------------|
| 1 | Securities Board | Mr. Deepak Raj Kafle | Chairman | 01/09/2003 |
| | | Mr. Dambar Prasad Dhungel | Chairman | 07/06/1993 to 31/08/2003 |
| 2 | His majesty's Government of Nepal, Ministry of Law, Justice and Parliamentary Affairs | Mr. Baburam Regmi | Joint-secretary | 19/04/2002 |
| 3 | His Majesty's Government of Nepal, Ministry of Industries, Commerce and Supplies | Mr. Prachanda Man Shrestha | Joint-secretary | 23/06/2003 |
| 4 | His Majesty's Government of Nepal, Ministry of Finance | Mr. Shakti Prasad Pandit | Under secretary | 18/09/2003 |
| | | Mr. Harsha Raman Upadhyaya | Under secretary | 05/02/2001 to 17/09/2003 |
| 5 | Nepal Rastra Bank | Mr. Krishna Bahadur Manandhar | Executive Director | 04/02/2004 |
| | | Mr. Sudarshan Raj Poudyal | Executive Director | 02/01/2001 to 03/02/2004 |
| 6 | Association of Chartered Accountants of Nepal | Mr. Gyanendra Bahadur Bhari | Acting President | 23/04/2004 |
| | | Mr. Rabin Pradhan | President | 16/11/2003 to 22/04/2004 |
| | | Mr. Narayan Bajaj | President | 30/10/2003 to 15/11/2003 |
| 7 | Federation of Nepalese Chamber of Commerce and Industries | Mr. Chandi Raj Dhakal | First Vice President | 22/11/2002 |

SEBO, in its organizational structure has two departments, six divisions and ten sections. Under the Corporate Finance and Administration Department, there are three divisions namely Corporate Finance and Reports Review Division, Accounts and Administration Division and HRD and Education Division. There are also three divisions under the Securities Market Regulation Department, which are Legal and Enforcement Division, Market Regulation and Compliance Division and Market Analysis and Planning Development Division. Presently, there are 25 staffs in SEBO and their names are given in appendix-1.

SEBO, in performing its responsibilities, is also taking expert opinions from Accounting and Legal Professionals as and when required. Similarly, to make prospectuses of issuer companies more informative and reliable, SEBO has formed "Securities Registration and Issue Approval Committee" with representation from SEBO, NEPSE and CRO. Provision has also been made for the representation from Nepal Rastra Bank and Insurance Board in this committee.

Organizational Structure of SEBO



SEBO is basically relying on government grant to finance its activities. Other financing sources for SEBO include registration of corporate securities, renewal of stock exchange and registration, renewal of market intermediaries and the income from the mobilization of its revolving fund. Income and Expenditure Account, Balance Sheet and Cash Flow Statement of SEBO for the fiscal year 2003/04, are presented in appendix - 2.

HIGHLIGHTS OF SEBO'S ACTIVITIES

- **Comments on Prospectus**
- **Public Issue Approval**
- **Secondary Offering**
- **Renewal of Stock Exchange and Securities Businesspersons**
- **Legal Provisions**
- **Trading of Government Securities through Stock Exchange**
- **Supervision and Monitoring**
- **Research and Study**
- **Corporate and Financial Governance Project**
- **Relationship with Foreign Securities Regulators**
- **Training and Seminar**
- **Publications**
- **Web Site**

3. Highlights of SEBO's Activities

3.1 Comments on Prospectus

As per the present Securities Exchange Act and Companies Act, companies issuing their securities to the public should first get their prospectus approved from CRO and then apply to SEBO along with the approved prospectus to get issue approval. In this context, SEBO and CRO, with the objective of making the prospectus more informative and reliable, have been cooperating with each other. CRO, before approving the prospectuses, has been seeking comments from SEBO. During this fiscal year, SEBO provided comments on the prospectuses of 18 companies consisting of four commercial banks, four development banks, seven finance companies, two insurance companies and one hydropower company. Similarly, in this fiscal year SEBO also provided comments to the CRO regarding the issuance of shares of Chilime Hydropower Company Ltd. on private placement basis.

3.2 Public Issue Approval

In this fiscal year, SEBO registered the securities of 16 companies consisting of five commercial banks, two development banks, seven finance companies, one insurance company and one hydro-power company and approved the issuance of securities amounting to Rs. 1484.92 million. Similarly, during the year, SEBO also approved the additional sale of units of Citizen Unit Scheme amounting to Rs. 62.87 million. In the last fiscal year, SEBO granted issue approval to 17 different companies to raise Rs. 813.74 million. In that year amount of additional sale of units of the Citizen Unit Scheme was Rs. 40.09 million.

Table 4: Public Issue Approval

| S.N. | Name of the Company | Types of Securities | Date of Approval | Amount (Rs. in Million) |
|------|--|---------------------|------------------|----------------------------|
| 1 | Alpic Everest Finance Ltd. | Rights Share | 21/08/2003 | 20.00 |
| 2 | Nepal Investment Bank Ltd | Debenture | 14/09/2003 | 300.00 |
| 3 | Cosmic Merchant Banking & Finance Ltd. | Ordinary Share | 21/10/2003 | 24.00 |
| 4 | Kumari Bank Ltd. | Ordinary Share | 12/11/2003 | 150.00 |
| 5 | Siddhartha Finance Ltd. | Rights Share | 14/11/2003 | 20.00 |
| 6 | Fewa Finance Co. Ltd. | Ordinary Share | 06/02/2004 | 8.00 |
| 7 | Nepal Credit & Commerce Bank Ltd. | Ordinary Share | 13/02/2004 | 210.00 |
| 8 | Prudential Insurance Co. Ltd. | Ordinary Share | 22/04/2004 | 20.00 |
| 9 | NB Finance & Leasing Co. Ltd. | Rights Share | 10/05/2004 | 30.00 |
| 10 | Pashchimanchal Bikash Bank Ltd. | Ordinary Share | 24/05/2004 | 6.00 |
| 11 | Chhimek Development Bank Ltd. | Ordinary Share | 24/05/2004 | 3.00 |
| 12 | Lumbini Bank Ltd. | Ordinary Share | 02/06/2004 | 150.00 |

| S.N. | Name of the Company | Types of Securities | Date of Approval | Amount (Rs. in Million) |
|--------------|---------------------------------------|---------------------------------|------------------|----------------------------|
| 13 | Kist Merchant Banking & Finance Ltd. | Ordinary Share | 08/06/2004 | 20.00 |
| 14 | NB Bank Ltd. | Rights Share | 17/06/2004 | 359.92 |
| 15 | World Merchant Banking & Finance Ltd. | Ordinary Share | 08/07/2004 | 24.00 |
| 16 | National Hydropower Co. Ltd. | Ordinary Share | 15/07/2004 | 140.00 |
| | Citizen Unit Scheme | Collective Investment Scheme | | 62.87* |
| Total | | | | 1547.79 |

* Provisional

3.3 Secondary Offering

Present securities regulations lack clear mechanism and disclosure requirement for selling government owned shares during privatization as well as for selling promoters' share to the public. Such offerings though come within the framework of stock exchange; there is no provision for registering such offer with SEBO. However, with the underlying importance that the public should be provided information relating to these types of securities offerings for making sound investment decision, SEBO, in this fiscal year, provided its concurrence to Nepal Bank Ltd. for the sale of 312.49 thousands Standard Chartered Bank's shares owned by it through auction process. SEBO also advised Nepal Bank Ltd. to publish public announcement consisting of information regarding the sale. Similarly, SEBO also provided its concurrence to sale 839.06 thousand shares of Butwal Power Ltd. owned by government through auction and 167.81 thousands shares to its staffs through private placement.

3.4 Renewal of Stock Exchange and Securities Businesspersons

SEBO renewed the license of NEPSE for the fiscal year 2003/04 on 14th October 2003. As per the Securities Exchange Regulation, 1993, the organization operating stock exchange should renew its license within six months after the expiry of fiscal year.

Similarly, as per the provision of Securities Exchange Act, 1983, securities businesspersons should renew their licenses for the next fiscal year before expiry of the current fiscal year. Accordingly, SEBO upon reviewing the applications received from the securities businesspersons renewed the licenses of 27 stock brokers, nine issue managers and two securities dealers. The list of renewed securities businesspersons is given in appendix-5.

In the same way, SEBO received application from 16 stock brokers, nine issue managers and two securities dealers for renewal of their licenses for the fiscal year 2004/05.

3.5 Improvement in Legal Provisions

3.5.1 Amendment in Securities Registration and Issue Approval Guidelines, 2000

Regarding the Accountability of the Information Disclosed in the Prospectus

SEBO with the objective of informing investors that the accountability of the information disclosed in the prospectus rests on the board directors and the experts involved and that investment in securities have inherent risk, made provision in its "Securities Registration and Issue Approval Guidelines, 2000" whereby such information must be incorporated in the front cover page of the prospectus.

Regarding the Risk of Changes in Share Prices

SEBO, made a new provision in its "Securities Registration and Issue Approval Guidelines, 2000" whereby, companies issuing securities to the public should also include in its prospectus a statement that the issue price of the securities does not reflect the trading price after listing in the stock exchange and there is a risk of price change.

Exemption of AGM Provision

As per the provision of section 2(9) of "Securities Registration and Issue Approval Guidelines, 2000", companies issuing securities to the public should have already audited their financial statements and conducted the annual general meeting as per the provision of "Companies Act, 1997". In this fiscal year, SEBO made amendment in this section exempting the provision for those companies whose management has been taken over by the regulator of its business and the prospectus containing disclosure to this regard has been approved by CRO.

Declaration Regarding the Compliance

SEBO made a new provision in its "Securities Registration and Issue Approval Guidelines, 2000" regarding compliance status to the concerned rules and regulations as well as disclosure of the same through the prospectus. In this regard, provision was made where companies going public would have to include in their prospectus a declaration that they have complied with the rules and regulations set forth by the regulator concerned with their business and that the prospectus has been prepared in line with those rules and regulations. Besides, a provision was also added whereby in case any material changes in the information of the prospectus and other supporting documents submitted to SEBO, these changes have to be incorporated in the prospectus before making public announcement documents.

3.5.2 Amendment in "Membership of Stock Exchange and Transaction Byelaws, 1998"

Regarding the Ownership Transfer of Stock Brokers

In this fiscal year, SEBO approved the amendment in "Membership of Stock Exchange and Transaction Byelaws, 1998" proposed by NEPSE. The amendment made provision that stock brokers can not transfer their ownership until five years from the date of getting NEPSE membership. However, if HMG/N, SEBO, Nepal Rastra Bank or other regulatory agencies restrict the promoter and or director of a brokering company to be director of other companies, this provision would be exempted from. The amendment also made a provision that only up to 49 percent of ownership can be transferred to a corporate body. As per the amendment, after ownership transfer one cannot again transfer the ownership for at least three years.

3.6 Trading of Government Securities through Stock Exchange

With the view to implement HMG/N's program for the trading of government securities in the stock exchange as announced in the budget speech for the fiscal year 2003/04, a high-level committee has been formed under the convenership of Ministry of Finance with representation from SEBO, NEPSE and Nepal Rastra Bank. The "Public Debt Act, 2002" has delegated authority to the Nepal Rastra Bank for necessary arrangement of primary and secondary transactions of government securities. In this context, SEBO has been assisting Nepal Rastra Bank in drafting the necessary regulation. Besides, SEBO has also started to draft a "Government Securities Trading bylaws" based on the draft regulation proposed by Nepal Rastra Bank.

3.7 Supervision and Monitoring

3.7.1 Supervision of Public Issue

In this fiscal year, SEBO conducted on-site inspection of the public issue of two companies. During the inspection, SEBO supervised whether the investors are given access to the prospectus, memorandum and articles of association of the issuing company, certificate of issue approval granted by SEBO and other important documents as well as checked whether the issuing companies and the issue managers are paying attention to address investor's complaints. During the inspection, SEBO also provided suggestions to the issuing companies and the issue managers regarding the improvement in the public issue arrangements.

3.7.2 Supervision of Stock Exchange

As per the prevailing securities legislation, stock exchange should provide various types of information regarding the securities exchange trading to the investors and such information should also be submitted to SEBO. The status of reporting of NEPSE in this fiscal year is as follows.

Table 5: Reporting of NEPSE

| S.N. | Submission of Reports | Received Date |
|-------------|--|----------------------|
| 1 | Annual Report, 2002/03 | 16/9/2003 |
| 2 | Minute of the Annual General Meeting (2002/03) | Not Submitted |
| 3 | First Half Yearly Trading Report, 2003/04 | Not Submitted |
| 4 | Reports on Annual Securities Trading, 2002/03 | 26/11/2003 |
| 5 | Details on deposits of the stock brokers | Not Submitted |
| 6 | Details on membership and representatives | 17/11/2003 |

Besides the above-mentioned reports, SEBO has been receiving from NEPSE the information on traded companies, trading price and quantity etc on a daily basis.

Under the present system, there is a practice where a stock broker can execute both buying and selling orders of the same securities. SEBO, during the inspection of NEPSE felt the need to make the present practice more transparent and competitive. In this regard SEBO directed NEPSE to make provisions whereby in such transaction a broker can only execute such orders where the name of the company, share quantity and price match each other and where the order price has also been fixed. Besides, SEBO also directed NEPSE to make provisions where the price of the securities from such trading could not be the closing market price. Likewise, NEPSE to facilitate immediate sell of securities has continued with the blank transfer in which an investor can sell the securities immediately before ownership transfer by recording the transaction in NEPSE. SEBO during inspection also saw the need to make such practice fair and transparent and hence directed NEPSE to make improvement in the blank transfer mechanism. However, NEPSE has not yet responded regarding the implementation of both the directives.

3.7.3 Supervision of Securities Businessperson

Issue Manager

SEBO monitors whether the issue managers perform issue management activities like allotment of securities, refunding and listing of securities and submission of their reports to SEBO within the time prescribed by the securities rules and regulations.

As per the provisions of "Securities Exchange Act, 1983", issue managers are required to submit their annual reports including profit and loss account, balance sheet, cash flow statements and securities trading report to SEBO within 4 months after the expiry of the fiscal year. Reporting of issue managers in this fiscal year is given in table 6.

Table 6: Reporting of Issue Managers

| S.N. | Issue manager | Date of Submission | Financial Reports (FY 2002/03) | | Issue Management (FY 2003/04) | |
|------|---------------------------------------|--------------------|-----------------------------------|---------------------|----------------------------------|---|
| | | | P/L Account & Balance Sheet | Cash Flow Statement | Number of Issue Managed | Amount of Issue Managed (Rs. in Million) |
| 1 | Nepal Merchant Banking & Finance Ltd. | 28/11/2003 | √ | √ | 6 | 99.00 |
| 2 | National Finance Co. Ltd. | 01/12/2003 | √ | √ | - | - |
| 3 | Ace Finance Co. Ltd. | 11/12/2003 | √ | √ | 1 | 300.00 |
| 4 | Nepal Finance & Saving Co. Ltd. | 28/03/2004 | √ | √ | 2 | 40.00 |
| 5 | Nepal Share Markets Co. Ltd. | 29/03/2004 | √ | √ | - | - |
| 6 | United Finance Ltd. | 03/05/2004 | √ | √ | - | - |
| 7 | Nepal Sri Lanka Merchant Bank Ltd. | 01/06/2004 | √ | √ | 3 ^a | 529.92 |
| 8 | Citizen Investment Trust | 26/03/2004 | √ | √ | 3 ^b | 510.00 |
| 9 | NIDC Capital Markets Ltd. | | - | - | 4 ^c | 506.00 |

^a including one issue amounting Rs. 140.00 million managed jointly with NIDC Capital Markets Ltd.

^b including two issues amounting Rs. 360.00 million managed jointly with NIDC Capital Markets Ltd.

^c including three jointly managed issues; one with Nepal Sri Lanka Merchant Bank Ltd. and two with Citizen Investment Trust

In this fiscal year out of nine issue managers, six were involved in the issue management activities.

Stock Brokers

As per the provisions of "Securities Exchange Act, 1983", stock brokers are required to submit their annual reports including profit and loss account, balance sheet, cash flow statements and securities trading report to SEBO within 4 months after the expiry of the fiscal year. In this year, 22 stock brokers submitted their annual reports of the fiscal year 2002/03 to SEBO. Out of these 22 stock brokers, four have not submitted trading report while one did not submitted cash flow statement along with the trading report. The status reporting of stock brokers is given in table 6.

Table 7: Submission of Reports by the Stock Brokers

| S.N. | Stock Broker | Date of Receiving Half Yearly Report | Financial and Trading Reports (FY 2002/03) | | | | Transaction Amount* FY 2003/04 (Rs. in Million) |
|------|--|--------------------------------------|---|-----------------------------|---------------------|--------------------|---|
| | | | Date of Receiving | P/L Account & Balance Sheet | Cash Flow Statement | Transaction Report | |
| 1 | Nepal Investment & Securities Trading (P) Ltd. | 24/03/2004 | 16/10/2003 | √ | √ | √ | 55.18 |
| 2 | Agrawal Securities (P) Ltd. | 26/03/2004 | 13/11/2003 | √ | √ | √ | 231.11 |
| 3 | Nikhil Securities (P) Ltd. | 25/03/2004 | 13/11/2003 | √ | √ | - | 10.53 |
| 4 | Pragyan Securities (P) Ltd. | 15/07/2004 | 13/11/2003 | √ | √ | - | 3.32 |
| 5 | Sri Krishna Securities Ltd. | 02/08/2004 | 14/11/2003 | √ | - | - | 54.40 |
| 6 | Om Securities & Allied Services (P) Ltd. | 10/02/2004 | 14/11/2003 | √ | √ | √ | 0.03 |

| S.N. | Stock Broker | Date of Receiving Half Yearly Report | Financial and Trading Reports (FY 2002/03) | | | | Transaction Amount* FY 2003/04 (Rs. in Million) |
|--------------|---|--------------------------------------|---|-----------------------------|---------------------|--------------------|---|
| | | | Date of Receiving | P/L Account & Balance Sheet | Cash Flow Statement | Transaction Report | |
| 7 | Nepal Stock House (P) Ltd. | 24/02/2004 | 20/11/2003 | √ | √ | √ | 499.36 |
| 8 | Arun Securities (P) Ltd. | 20/03/2004 | 16/12/2003 | √ | √ | √ | 342.65 |
| 9 | Annapurna Securities Service (P) Ltd. | 20/03/2004 | 16/12/2003 | √ | √ | √ | 47.65 |
| 10 | Opel Securities (P) Ltd. | 14/07/2004 | 26/12/2003 | √ | √ | √ | 59.15 |
| 11 | Kumari Securities (P) Ltd. | 27/05/2004 | 13/01/2004 | √ | √ | √ | 101.06 |
| 12 | Sipla Securities (P) Ltd. | 25/03/2004 | 20/01/2004 | √ | √ | √ | 72.88 |
| 13 | Siprabi Securities (P) Ltd. | 02/03/2004 | 22/01/2004 | √ | √ | √ | 76.86 |
| 14 | Sweta Securities (P) Ltd. | 02/03/2004 | 26/01/2004 | √ | √ | √ | 125.37 |
| 15 | Aashutosh Brokerage & Securities (P) Ltd. | 26/04/2004 | 29/01/2004 | √ | √ | √ | 153.58 |
| 16 | Khandelwal Stock Broking Co. (P) Ltd. | - | 29/01/2004 | √ | √ | √ | 0.003 |
| 17 | Trishul Securities & Investment Ltd. | 01/07/2004 | 29/01/2004 | √ | √ | √ | 15.75 |
| 18 | Malla & Malla Stock Broking Co. (P) Ltd. | 15/07/2004 | 04/02/2004 | √ | √ | √ | 7.70 |
| 19 | Midas Stock Broking Co. (P) Ltd. | 15/07/2004 | 04/02/2004 | √ | √ | √ | 27.42 |
| 20 | Premier Securities Co. Ltd. | - | 25/02/2004 | √ | √ | √ | 95.36 |
| 21 | Market Securities & Exchange Co. (P) Ltd. | - | 26/02/2004 | √ | √ | √ | 41.62 |
| 22 | J.F. Securities (P) Ltd. | - | 17/05/2004 | √ | √ | - | 2173.16 |
| 23 | Asian Securities Ltd. | - | - | - | - | - | 50.78 |
| 24 | Primo Securities (P) Ltd. | - | - | - | - | - | 9.10 |
| 25 | Sagarmatha Securities (P) Ltd. | - | - | - | - | - | 30.10 |
| 26 | Yeti Securities Co. Ltd. | - | - | - | - | - | 0.00 |
| 27 | Shiva Shakti Stock & Investment (P) Ltd. | - | - | - | - | - | 4.35 |
| Total | | | | | | | 4288.49 |

* Total transaction amount is as per the reporting of NEPSE and it includes buying and selling amount

On-site Inspection:

During this fiscal year, SEBO conducted on-site inspection of 15 stock brokers. SEBO basically looked into the physical infrastructures, human resources base, organization and working system, record keeping system etc. of the stock brokers. During inspection, SEBO found that most of the stock brokers lacked adequate office infrastructures and proper record keeping and documentation of securities legislations and materials relevant to the stock brokering business. SEBO also found that two stock brokers were operating their business from a single office room. Some of them had their offices at the places inconvenient for public access and some brokers had not even displayed their signboards. In some cases, same person was working as a CEO, director and the representative of the brokering company.

During the observation, SEBO advised all the stock brokers for proper record keeping, placing their signboards visibly, placing the certificate of the stock broker in the office and submitting semiannual and annual reports as in the prescribed format.

3.7.4 Supervision of Disclosure of Listed Companies

As per the provisions of Securities Exchange Act, 1983, listed companies should submit their annual reports including profit and loss account, balance sheet and cash flow statements to the stock exchange and SEBO, within 4 months after the expiry of the fiscal year. Similarly, listed companies should submit their half yearly reports to the stock exchange and SEBO, within 2 months after the expiry of that period. In this fiscal year, out of 114 listed companies, only 3 companies have submitted their annual report for the fiscal year 2002/03 and 5 companies submitted half yearly report on time. During the fiscal year 2003/04, 71 listed companies submitted their annual reports for the fiscal year 2002/03 to SEBO. The detail is presented in table 18 through 21.

3.8 Grievances

SEBO has been handling the grievances regarding securities market under its Market Supervision and Legal Enforcement Division. In this fiscal year, SEBO received following grievances.

Table 8: Detail of Grievances

| S.N. | Grievance From | Grievance Related Organization | Grievance | Action |
|------|----------------------|---|--|--|
| 1 | Member of BOD, NEPSE | NEPSE | Management ignorance in implementing the decision of BOD meetings, SEBO's directives etc. | SEBO sought clarification from NEPSE but the official response has not been received yet. |
| 2 | General Investor | Laxmi Bank Ltd. NB Insurance Co. Ltd. | Election for BOD is not fair in the context that the shares have not been listed in the stock exchange and that people were not allotted the amount of shares applied for due to over subscription of the issue. | SEBO referred the grievances to the concerned companies; Laxmi Bank Ltd. postponed its date of election whereas NB Insurance Co. Ltd. informed that the securities have been listed before AGM. |
| 3 | General Investor | Nikhil Securities (P) Ltd. (Stock Broker) | Forged academic certificate of one of the director of the company. | SEBO notified NEPSE to investigate the complaint and take necessary action. |
| 4 | Stock Broker | NEPSE | NEPSE suspended the broker for a long period | SEBO directed NEPSE to resolve the issue at the earliest. |

3.8 Research and Study

3.8.1 Study Support

With the objective of encouraging studies especially in the field of securities market, SEBO has been supporting the Masters' Level students by providing grant to write thesis as a part of their academic requirement. In this fiscal year, SEBO on the basis of the preset criteria selected the following six study proposals.

- Nepal Accounting Standard: Practices, Problems and Issues
- Efficient Market Hypothesis in the context of Nepal
- Investors' Preferences and Financial Instrument in Nepal
- Structure and Efficiency of Securities Market Intermediation Services in Nepal
- Corporate Governance in Non-financial Institutions: Issues and Practices
- Privatization and Capital Markets Growth in Nepal

SEBO received thesis reports on "Corporate Performance and Role of Board of Directors", "Problems and Prospects of Debt Market Growth in Nepal", "Corporate Financing and Equity Market in Nepal", "Stock Market and Economic Growth", "Listing, Liquidity and Price Formation in Nepal Stock Exchange" and "Problem and Prospects of Listed Manufacturing Companies in Nepal" for which SEBO had provided grant in the last fiscal year.

Besides, SEBO provided various types of information about the securities market through library and publications to 611 investors, students, researchers and lecturers of some universities in this fiscal year.

3.8.2 Study on Securities Market Liquidity

SEBO, to identify the reasons of present situation of slackness in trading and poor liquidity condition of the secondary market, conducted a study on securities market liquidity from a macro perspective. The study revealed that close nature of ownership pattern of listed companies, lack of diversity in the securities market instruments, low involvement of institutional investors in the market, slow speed of privatization, poor corporate results, lack of securities market infrastructures etc. are the major reasons behind the poor liquidity in the market. The study has also provided some important suggestive measures to improve market liquidity.

3.9 Corporate and Financial Governance Project

The Corporate and Financial Governance Project-CFG Project, with the major objectives of strengthening institutional capability of SEBO, modernizing NEPSE, establishing central depository system of securities and capacity building of CRO, has started from this fiscal year. SEBO has been coordinating in the Project Implementation Team (PIT) formed to facilitate the implementation of the project. This team is also represented by CRO and NEPSE. SEBO has also been taking the responsibility of Secretariat of the PIT. Recently, the consultant selected for the

implementation of the project, The Aries Group Ltd., submitted its inception report to the HMG/N. The report among others contains future plans and programs of the project.

3.10 Relationship with Foreign Securities Regulators

Viewing the importance of cooperation with other securities market regulators, SEBO has made efforts in further enhancing the relationship with them. During this year efforts have been made to harmonize the listing rules of the SAARC region. SEBO provided comments on the study conducted in this regard by South Asian Federation of Exchanges (SAFE). In this year, a high-level team of SEBO visited Securities and Exchange Board of India (SEBI) to exchange market experiences and to explore the areas of mutual cooperation. Likewise, in the sponsorship of World Bank Office in Nepal, a team of SEBI visited SEBO, NEPSE and line ministry.

3.11 Training and Seminar

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. In this fiscal year, SEBO provided opportunity to its staffs to participate in the "Tokyo Seminar on Securities Market Regulation" organized by Financial Services Agency, Japan, "Tokyo Enforcement Seminar" organized by Securities and Exchange Surveillance Commission, Japan, "International Institute for Securities Market Development, 2004" organized by United States Securities and Exchange Commission and "Indian Securities Markets: Emerging Benchmark; Strategic Planning for Success in the Increasing Global Competitive Market" organized by SEBI. Similarly, some of the staffs also participated in the programs like "2004, IOSCO APCR Methodology for Assessing Implementation of Objectives and Principles" and Annual Conference of South Asian Federation of Exchanges.

3.12 Publications

3.12.1 SEBO Journal

SEBO published "SEBO Journal" to mark its 11th Anniversary day, 7 June 2004. The journal has incorporated articles in the areas of corporate governance, securities market development, securities market regulatory principles, information disclosure, legal aspects of Nepalese securities markets, public issue of securities, listing and trading of securities, investors' rights, privatization etc. The articles incorporated in the journal are from the academicians as well as the securities market practitioners including SEBO staffs, stock exchange and market intermediaries. SEBO expects that the journal would be helpful to the people interested in securities markets and hopes that it would be an effective forum for various professionals to express their views and share experiences regarding the securities markets as well as encourage researches in this field.

3.12.2 Securities Market Review

With the objective of providing news and information on securities market and corporate affairs, SEBO has been publishing "Securities Market Review", a quarterly report, since the fiscal year 2001/02. Accordingly, SEBO published the review of each quarter of this fiscal year and also placed in its web site.

3.12.3 Annual Report

In pursuant to the section 27 of the "Securities Exchange Act, 1983", SEBO has published its Annual Report for the fiscal year 2002/03. The report contains a brief account of SEBO's activities and performance of securities market in the fiscal year 2002/03.

3.12.4 Publication of Investors' Educational Materials

In this fiscal year, SEBO published a leaflet with the view of providing the investors the information about mechanism and procedures of secondary trading of securities in the stock exchange and other general information about the securities market. Similarly, SEBO also published investors' tips in several newspapers. The publication of investors' tips was intended towards providing minimum information that an investor requires to know while making investment decision at the time of public issue as well as at the time of trading securities in the stock exchange. These investors' educational materials are also available in SEBO's web site.

3.13 Web Site

With the objective of acquainting the stakeholders with the market scenario, prevailing rules and regulations and providing necessary information through online electronic communication system, SEBO has been updating its web site regularly. In this fiscal year, SEBO placed investors' educational materials in its website <http://www.sebonp.com/>.

SECURITIES MARKET

- **Public Issue**
- **Listing of Securities**
- **Classification of Listed Companies**
- **Paid-up Value**
- **Turnover**
- **Market Capitalization**
- **Price Index**

4. Securities Market

4.1 Public Issue

As per the provision of securities legislation, a company should issue its securities to the public within two months after getting issue approval from SEBO. In this fiscal year, 14 companies consisting of four commercial banks, two development banks, seven finance companies and one insurance company issued their securities to the public amounting to Rs. 1027.50 million. In the last fiscal year, 19 companies had issued securities amounting to Rs. 656.54 million.

Table 9: Public Issue of Securities

| S.N. | Name of the Company | Types of Securities | Issued Amount (Rs. in Million) | Issue Date | Subscription (Times) |
|--------------|--|---------------------|-----------------------------------|------------|-------------------------|
| 1 | Laxmi Bank Ltd. | Ordinary Share | 192.50 | 04/08/2003 | 2.51 |
| 2 | Standard Finance Ltd. | Ordinary Share | 24.00 | 07/08/2003 | 3.63 |
| 3 | Alpic Everest Finance Ltd. | Rights Share | 20.00 | 04/09/2003 | - |
| 4 | Nepal Investment Bank Ltd. | Debenture | 300.00 | 03/11/2003 | - |
| 5 | Cosmic Merchant Banking & Finance Ltd. | Ordinary Share | 24.00 | 11/11/2003 | 7.18 |
| 6 | Siddhartha Finance Ltd. | Rights Share | 20.00 | 09/12/2003 | - |
| 7 | Kumari Bank Ltd. | Ordinary Share | 150.00 | 18/12/2003 | 8.11 |
| 8 | Fewa Finance Ltd. | Ordinary Share | 8.00 | 23/02/2004 | 23.55 |
| 9 | Nepal Credit & Commerce Bank Ltd. | Ordinary Share | 210.00 | 31/03/2004 | 1.22 |
| 10 | Prudential Insurance Co. Ltd. | Ordinary Share | 20.00 | 03/05/2004 | 9.57 |
| 11 | Chimek Bikash Bank Ltd. | Ordinary Share | 3.00 | 03/06/2004 | 1.39 |
| 12 | Pashchimanchal Bikash Bank Ltd. | Ordinary Share | 6.00 | 10/06/2004 | 19.88 |
| 13 | NB Finance & Leasing Co. Ltd. | Rights Share | 30.00 | 15/06/2004 | - |
| 14 | Kist Merchant Banking & Finance Ltd. | Ordinary Share | 20.00 | 21/06/2004 | 1.80 |
| Total | | | 1027.50* | | |

* Excluding additional sale of units of Citizen Unit Scheme amounting Rs. 62.87 million.

Likewise, in this fiscal year, HMG/N owned 1006.87 thousand shares of Butwal Power Co. Ltd. having per share paid-up value Rs. 100.00 have also been issued to the public through auction.

4.2 Listing of Securities

In this fiscal year, 23 companies have listed their securities amounting to Rs. 1564.18 in NEPSE. The securities listed consists of ordinary shares, rights shares, bonus shares, debentures and units of mutual fund. The detail on listing is given in table 10.

Table 10: Listing of Securities

| S.N. | Name of the Company | Types of Securities | Amount (Rs. in Million) | Listing Date |
|--------------|---|----------------------------|------------------------------------|---------------------|
| 1 | Nepal Share Markets Ltd. | Rights Share | 60.00 | 05/08/2003 |
| 2 | Navadurga Finance Co. Ltd.* | Ordinary Share | 20.00 | 05/08/2003 |
| 3 | Nepal Investment Bank Ltd. | Bonus Share | 68.65 | 07/08/2003 |
| 4 | Himalayan Bank Ltd. | Bonus Share | 39.00 | 07/08/2003 |
| 5 | Everest Bank Ltd. | Bonus Share | 51.86 | 20/08/2003 |
| 6 | Lalitpur Finance Co. Ltd. | Bonus Share | 11.25 | 20/08/2003 |
| 7 | NCM Mutual Fund, 2059 | Mutual Fund | 100.00 | 03/09/2003 |
| 8 | Mahalaxmi Finance Ltd. | Rights Share | 25.00 | 13/11/2003 |
| 9 | Butwal Finance Ltd.* | Ordinary Share | 50.00 | 30/12/2003 |
| 10 | Janaki Finance Ltd.* | Ordinary Share | 20.00 | 30/12/2003 |
| 11 | Standard Finance Ltd.* | Ordinary Share | 60.00 | 21/02/2004 |
| 12 | Om Finance Ltd.* | Ordinary Share | 20.00 | 21/02/2004 |
| 13 | NB Insurance Co. Ltd. | Ordinary Share | 20.00 | 21/02/2004 |
| 14 | Alpic Everest Finance Ltd. | Rights Share | 20.00 | 11/04/2004 |
| 15 | People Finance Ltd. | Rights Share | 11.33 | 11/04/2004 |
| 16 | National Finance Co. Ltd. | Bonus Share | 6.00 | 11/04/2004 |
| 17 | Nepal Investment Bank Ltd. | Debenture | 300.00 | 20/04/2004 |
| 18 | Laxmi Bank Ltd.* | Ordinary Share | 550.00 | 20/04/2004 |
| 19 | Cosmic Merchant Banking and Finance Ltd.* | Ordinary Share | 60.00 | 02/05/2004 |
| 20 | Kathmandu Finance Ltd. | Bonus Share | 10.00 | 25/05/2004 |
| 21 | Union Finance Co. Ltd. | Bonus Share | 6.00 | 08/06/2004 |
| 22 | Standard Chartered Bank (Nepal) Ltd. | Bonus Share | 35.09 | 08/06/2004 |
| 23 | Siddhartha Finance Ltd. | Rights Share | 20.00 | 05/07/2004 |
| Total | | | 1564.18 | |

* New companies listing securities

Of the 23 companies listing securities in NEPSE, seven are new companies. In this fiscal year, NEPSE de-listed the shares of Nepal Bank Ltd. As at the end of this fiscal year, number of listed companies in NEPSE reached 114.

Table 11: Listed Companies by the end of the Fiscal Year 2002/03

| S.N. | Sector | Number of Listed Company | Percent |
|--------------|------------------------------------|--------------------------|---------------|
| 1 | Commercial Bank | 11 | 9.65 |
| 2 | Development Bank | 4 | 3.51 |
| 3 | Finance Company | 41 | 35.96 |
| 4 | Insurance Company | 13 | 11.40 |
| 5 | Hotel | 4 | 3.51 |
| 6 | Manufacturing & Processing Company | 29 | 25.44 |
| 7 | Trading Company | 8 | 7.02 |
| 8 | Other Company | 4 | 3.51 |
| Total | | 114 | 100.00 |

4.3 Classification of Listed Companies

Out of 114 listed companies, NEPSE classified 43 companies (38.60 percent) consisting of nine commercial banks, two development banks, 22 finance companies, nine insurance companies 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". As per the provision of "Securities Listing Bye-laws, 1996" those listed companies which have profit track record for the last three years, book value higher than paid up value, submitted its financial statement to NEPSE within six months after the expiry of fiscal year, paid up capital exceeding Rs. 20 million, have at least 1000 shareholders falls on category "A". The companies on category "A" are given in table 12.

Table 12: Listed Companies Under Group "A"

| S.N. | Name of the Company | S.N. | Name of the Company |
|-------------------------|--------------------------------------|------|------------------------------|
| Commercial Bank | | | |
| 1 | NABIL Bank Ltd. | 2 | Nepal Investment Bank |
| 3 | Standard Chartered Bank (Nepal) Ltd. | 4 | Himalayan Bank Ltd. |
| 5 | Nepal SBI Bank Ltd. | 6 | Nepal Bangladesh Bank Ltd. |
| 7 | Everest Bank Ltd. | 8 | Bank of Kathmandu Ltd. |
| 9 | NIC Bank Ltd. | | |
| Development Bank | | | |
| 10 | Nepal Development Bank Ltd. | 11 | Development Credit Bank Ltd. |
| Finance Company | | | |
| 12 | National Finance Co. Ltd. | 13 | NIDC Capital Markets Ltd. |
| 14 | Kathmandu Finance Ltd. | 15 | Citizen Investment Trust |
| 16 | Nepal Aawas Bikas Beeta Co. | 17 | Mahalaxmi Finance Ltd. |
| 18 | Pashchimanchal Finance Ltd. | 19 | Universal Finance Ltd. |

| S.N. | Name of the Company | S.N. | Name of the Company |
|------------------------------|--|------|-----------------------------------|
| 20 | Goodwill Finance Co. Ltd. | 21 | Lumbini Finance & Leasing Co. Ltd |
| 22 | Nepal Merchant Banking & Fin. Ltd | 23 | Narayani Finance Ltd. |
| 24 | Siddhartha Finance Ltd. | 25 | Alpic Everest Finance Ltd. |
| 26 | United Finance Ltd. | 27 | International Leasing & Finance |
| 28 | Union Finance Co. Ltd. | 29 | Shree Investment & Finance Co. |
| 30 | Premier Finance Co. Ltd. | 31 | Butwal Finance Ltd. |
| 32 | Nawa Durga Finance Co. Ltd. | 33 | Janaki Finance Ltd. |
| Insurance Company | | | |
| 34 | National Life & General Insurance Co. Ltd. | 35 | Everest Insurance Co Ltd. |
| 36 | Himalayan Gen. Insurance Co. Ltd. | 37 | United Insurance Co. (Nepal) Ltd. |
| 38 | Premier Insurance Co. Ltd. | 39 | Alliance Insurance Co. Ltd. |
| 40 | Neco Insurance Ltd. | 41 | Sagarmatha Insurance Co. |
| 42 | Nepal Life Insurance Co. | | |
| Manufacturing Company | | | |
| 43 | Nepal Lever Ltd. | | |

4.4 Paid-up Value

The total paid-up value of the listed securities at the end of this fiscal year reached Rs. 13404.90 million. The paid-up value in the last fiscal year was Rs. 12560.07 million.

Table 13: Paid-up Value

| S.N. | Sector | Paid up value (Rs in Million) | Percent |
|--------------|------------------------------------|----------------------------------|---------------|
| 1 | Commercial Bank | 4856.16 | 36.23 |
| 2 | Development Bank | 627.88 | 4.68 |
| 3 | Finance Company | 1798.63 | 13.42 |
| 4 | Insurance Company | 1084.15 | 8.09 |
| 5 | Hotel | 1552.88 | 11.58 |
| 6 | Manufacturing & Processing Company | 2756.96 | 20.57 |
| 7 | Trading Company | 76.64 | 0.57 |
| 8 | Other Company | 651.60 | 4.86 |
| Total | | 13404.90 | 100.00 |

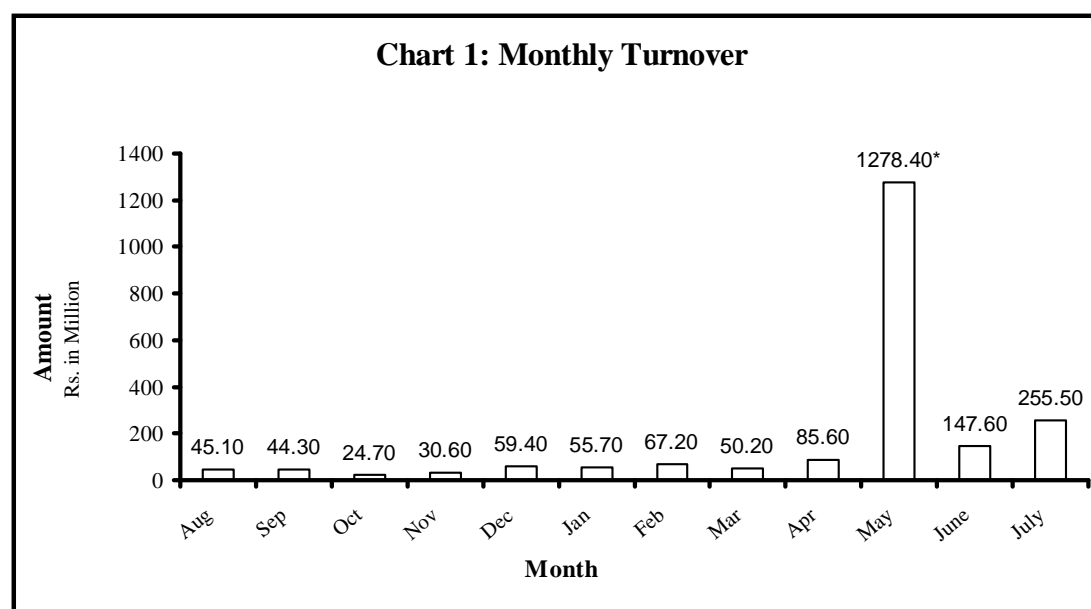
4.5 Turnover

The total amount of securities traded in this fiscal year is Rs. 2144.27 million. In the last fiscal year, it was Rs. 575.80 million.

Table 14: Annual Turnover

| S.N. | Sector | Trading (Rs in Million) | Percent |
|--------------|------------------------------------|----------------------------|---------------|
| 1 | Commercial Bank | 863.41 | 40.27 |
| 2 | Development Bank | 32.33 | 1.51 |
| 3 | Finance Company | 165.09 | 7.70 |
| 4 | Insurance Company | 36.86 | 1.72 |
| 5 | Hotel | 2.84 | 0.13 |
| 6 | Manufacturing & Processing Company | 1031.62 | 48.11 |
| 7 | Trading Company | 11.83 | 0.55 |
| 8 | Other Company | 0.29 | 0.01 |
| Total | | 2144.27 | 100.00 |

In this fiscal year, the percentage turnover to market capitalization is 5.18, while that of the last fiscal year was 1.63. The number of traded companies in this fiscal year is 92, which were 81 in the last fiscal year.



* Including block transaction of shares of Bottlers Nepal Ltd. amounting to Rs. 1025.60 million and that of Nepal Bangladesh Bank Ltd. amounting to Rs. 147.65 million.

4.6 Market Capitalization

By the end of this fiscal year, the market capitalization value of the listed securities reached to Rs. 41424.77 million. In the last fiscal year, this value was Rs. 35240.39 million. During this year, the highest value of market capitalization was Rs. 42489.34 million and the lowest was

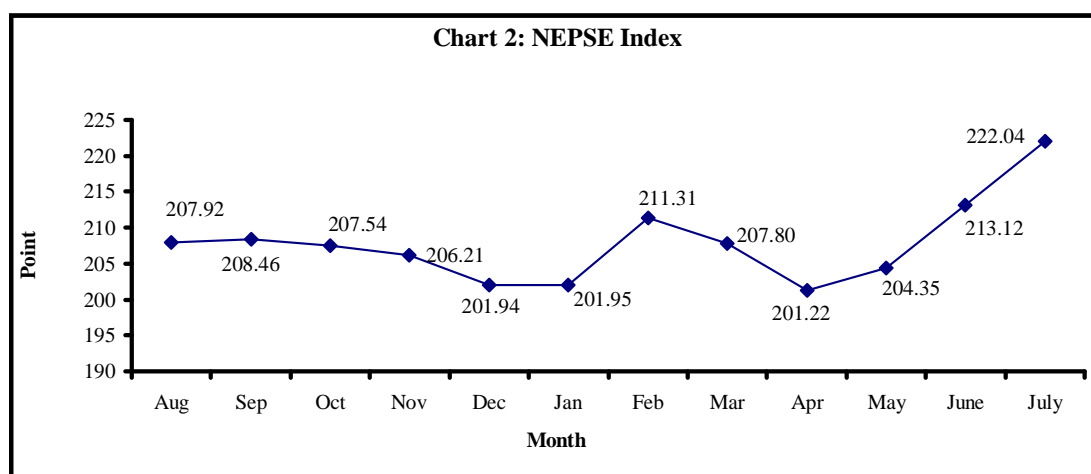
Rs. 36386.45 million. The percentage contribution of market capitalization on GDP is estimated to be 8.77.

Table 15: Market Capitalization

| S.N. | Sector | Market Capitalization Value (Rs in Million) | Percent |
|--------------|------------------------------------|--|---------------|
| 1 | Commercial Bank | 27147.42 | 65.54 |
| 2 | Development Bank | 796.85 | 1.92 |
| 3 | Finance Company | 2911.75 | 7.03 |
| 4 | Insurance Company | 2549.3 | 6.16 |
| 5 | Hotel | 2391.39 | 5.77 |
| 6 | Manufacturing & Processing Company | 4644.59 | 11.21 |
| 7 | Trading Company | 490.37 | 1.18 |
| 8 | Other Company | 493.09 | 1.19 |
| Total | | 41424.77 | 100.00 |

4.7 Price Index

By the end of this fiscal year, the price index of the listed securities (NEPSE Index) remained at 222.04 points, which is 17.18 points higher than that of the last fiscal years' index 204.86 points. In this fiscal year, the highest index of 227.83 was noted on July 6, 2004 and the lowest index of 195.14 was noted on April 1, 2004.



COLLECTIVE INVESTMENT SCHEME

- **Citizen Investment Scheme**
- **N.C.M. Mutual Funds**

5. Collective Investment Schemes

5.1 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 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. CIT itself has been performing the function of selling and repurchasing the unit of the scheme. It has been regularly reporting SEBO on the performance of the scheme.

As reported by CIT, by the end of the fiscal year 2003/04, it sold units amounting to Rs. 1003.87 million and repurchased the units amounting to Rs. 536.27 million. Additional sale of the scheme in this fiscal year is Rs. 62.28 million. By the end of this fiscal year, its total investment is Rs. 447.54 million and the profit of the scheme in this fiscal year is Rs. 36.44 million. The total number of participants of the scheme reached to 9871 and it distributed 7 percent dividend to its unit holders.

Table 16: Performance of Citizen Unit Scheme

| S.N. | | Fiscal Year | | | | |
|------|---|-------------|---------|---------|---------|---------|
| | | 1999/00 | 2000/01 | 2001/02 | 2002/03 | 2003/04 |
| 1 | Total amount of unit sold (Rs. in million) | 187.37 | 336.78 | 645.26 | 837.47 | 1003.87 |
| 2 | Total amount of unit repurchased (Rs. in million) | 44.12 | 110.63 | 280.62 | 432.15 | 536.27 |
| 3 | Investment (Rs. in million) | 143.88 | 236.40 | 371.50 | 414.43 | 447.54 |
| | (a) Government Bond | 30.85 | 59.65 | 119.50 | 188.00 | 186.50 |
| | (b) Bank Deposit (Fixed) | 68.50 | 100.00 | 130.00 | 96.50 | 125.00 |
| | (c) Share / Debenture | 2.03 | 6.75 | 10.50 | 15.43 | 19.53 |
| | (d) Loan & Advances | 42.50 | 70.00 | 111.50 | 114.50 | 116.50 |
| 4 | Net Income | 16.71 | 19.98 | 35.26 | 37.40 | 36.44 |
| 5 | Dividends (%) | 11 | 9 | 8.5 | 8 | 7 |
| 6 | Number of Unit Holders | 4601 | 6270 | 8299 | 9087 | 9871 |

5.2 N.C.M. Mutual Fund

SEBO approved for the operation of NCM Mutual Fund, 2002 in the fiscal year 2002/03. The total amount of the mutual fund is Rs. 100.00 million. It is an close ended fund and its maturity period is 10 years. Each units of the fund has a par value of Rs. 10. The scheme is listed in the stock exchange. NIDC Capital Markets Ltd. is the fund manager of this scheme and Nepal Industrial Development Corporation is the trustee.

As reported by NIDC Capital Markets Ltd.- the fund manager, total investment of the fund reached to Rs. 123.41 million by the end of the fiscal year 2003/04 and the net asset value (NAV) increased to Rs. 118.02 million. The performance of the fund in the fiscal year 2003/04 is given in table 17.

Table 17: Performance of NCM Mutual Fund (FY 2002/03)

| S.N. | Particulars | Fiscal Year | |
|------|---------------------------------------|-----------------|-----------------|
| | | 2002/03 | 2003/04 |
| 1 | Investment (Rs.) | 11,03,23,465.08 | 12,34,08,160.91 |
| | (a) Share (Rs.) | 8,44,36,101.08 | 9,58,88,712.67 |
| | (b) Government Bond (Rs.) | 1,00,00,000.00 | 1,00,00,000.00 |
| | (c) Bank (Special Deposit) (Rs.) | 1,58,87,364.00 | 88,33,481.27 |
| 2 | Number of invested Company | 29 | 31 |
| 3 | Net Income (Rs.) | 21,39,087.70 | 94,96,668.49 |
| | (a) Dividend in Share (Rs.) | 16,21,614.19 | 21,60,331.50 |
| | (b) Interest in Government Bond (Rs.) | 28,125.00 | 7,65,289.55 |
| | (c) Bank Interest (Rs.) | 4,89,347.51 | 6,10,333.22 |
| | (d) Income from Sale of Shares | - | 59,60,714.22 |
| 4 | Net Assets Value (Rs.) | 10,56,92,313.61 | 11,80,16,064.56 |
| 5 | Outstanding Unit | 1,00,00,000.00 | 1,00,00,000.00 |
| 6 | Net Asset Value per unit (Rs.) | 10.57 | 11.80 |
| 7 | Number of Unit holder | 2882 | 2,882 |
| | (a) Institutional | 19 | 19 |
| | (b) Individual | 2863 | 2863 |
| 8 | Dividend (%) | 5 | 5 |

CORPORATE AFFAIRS

- **Information Disclosure**
- **Annual General Meeting**
- **Dividend/Bonus Share and Share Capitalization**
- **Rights Share Announcement**
- **Operational Results of Listed Companies**

6. Corporate Affairs

6.1 Information Disclosure

Submission of Annual Reports

In this fiscal year, 71 companies out of 114 listed companies submitted their annual reports for the fiscal year 2002/03 to SEBO. Out of these 71 companies, only the following three companies have submitted the reports within the prescribed time.

Table 18: Timely Submission of Annual Reports

| S.N. | Name of Listed Companies | Annual Report/Financial Statement | Date of Submission |
|------|--------------------------|-----------------------------------|--------------------|
| 1 | Mahalaxmi Finance Ltd. | 8 th Annual Report | 29/09/2003 |
| 2 | Pokhara Finance Ltd. | 7 th Annual Report | 30/09/2003 |
| 3 | Narayani Finance Ltd. | 9 th Annual Report | 17/10/2003 |

In this fiscal year, 68 companies submitted their annual report of the fiscal year 2002/03 to SEBO after the expiry of the report submission date. These companies consist of 11 commercial banks, three development banks, 30 finance companies, 10 insurance companies, three hotels, eight manufacturing and processing companies and three trading companies. Detail is given in table 19.

Table 19: Submission of Annual Report by the Listed Companies

| S.N. | Name of Listed Companies | Annual Report/Financial Statement | Date of Submission |
|------------------------|---|-----------------------------------|--------------------|
| Commercial Bank | | | |
| 1 | Machhapuchhre Bank Ltd. | 5 th Annual Report | 19/12/2003 |
| 2 | Nepal Investment Bank Ltd. | 17 th Annual Report | 25/12/2003 |
| 3 | Everest Bank Ltd. | 9 th Annual Report | 25/12/2003 |
| 4 | Nepal Industrial & Commercial Bank Ltd. | 6 th Annual Report | 25/12/2003 |
| 5 | Bank of Kathmandu Ltd. | 9 th Annual Report | 29/12/2003 |
| 6 | Laxmi Bank Ltd. | 3 rd Annual Report | 06/11/2004 |
| 7 | Nepal SBI Bank Ltd. | 10 th Annual Report | 17/03/2004 |
| 8 | Nepal Bangladesh Bank Ltd. | 9 th Annual Report | 02/04/2004 |
| 9 | Himalayan Bank Ltd. | 11 th Annual Report | 11/05/2004 |
| 10 | Standard Chartered Bank (Nepal) Ltd. | 17 th Annual Report | 14/05/2004 |
| 11 | Nabil Bank Ltd. | 19 th Annual Report | 17/05/2004 |

| S.N. | Name of Listed Companies | Annual Report/Financial Statement | Date of Submission |
|--------------------------|---|-----------------------------------|--------------------|
| Development Bank | | | |
| 1 | Development Credit Bank Ltd. | 3 rd Annual Report | 24/11/2003 |
| 2 | Nirdhan Utthan Bank Ltd. | 5 th Annual Report | 23/12/2003 |
| 3 | Nepal Development Bank Ltd. | 5 th Annual Report | 19/03/2004 |
| Financial Company | | | |
| 1 | Nepal Merchant Banking & Finance Ltd. | 8 th Annual Report | 28/11/2003 |
| 2 | National Finance Co. Ltd. | 11 th Annual Report | 01/12/2003 |
| 3 | Ace Finance Co. Ltd. | 8 th Annual Report | 11/12/2003 |
| 4 | Annapurna Finance Co. Ltd. | 10 th Annual Report | 23/12/2003 |
| 5 | Pashchimanchal Finance Co. Ltd. | 8 th Annual Report | 25/12/2003 |
| 6 | Union Finance Co. Ltd. | 9 th Annual Report | 29/12/2003 |
| 7 | Kathmandu Finance Ltd. | 9 th Annual Report | 30/12/2003 |
| 8 | Nepal Housing & Merchant Finance Ltd. | 9 th Annual Report | 31/12/2003 |
| 9 | Navadurga Finance Co. Ltd. | 7 th Annual Report | 01/01/2004 |
| 10 | Shree Investment & Finance Co. Ltd. | 9 th Annual Report | 01/01/2004 |
| 11 | Universal Finance Ltd. | 8 th Annual Report | 06/01/2004 |
| 12 | HISEF Finance Ltd. | 9 th Annual Report | 06/01/2004 |
| 13 | International Leasing & Finance Co. Ltd. | 8 th Annual Report | 23/01/2004 |
| 14 | Nepal Abas Bikash Bitta Co. Ltd. | 11 th Annual Report | 23/01/2004 |
| 15 | Peoples Finance Ltd. | 7 th Annual Report | 27/02/2004 |
| 16 | Goodwill Finance Co. Ltd. | 9 th Annual Report | 02/03/2004 |
| 17 | Nepal Bangladesh Finance & Leasing Co. Ltd. | 5 th Annual Report | 03/03/2004 |
| 18 | Premier Finance Co. Ltd. | 7 th Annual Report | 05/03/2004 |
| 19 | Lalitpur Finance Co. Ltd. | 7 th Annual Report | 24/03/2004 |
| 20 | Citizen Investment Trust | 9 th Annual Report | 26/03/2004 |
| 21 | Samjhana Finance Co. Ltd.8 | 9 th Annual Report | 29/03/2004 |
| 22 | Nepal Share Markets Co. Ltd. | 10 th Annual Report | 29/03/2004 |
| 23 | Alpic Everest Finance Ltd. | 10 th Annual Report | 30/03/2004 |
| 24 | General Finance Co. Ltd. | Financial Statement | 02/04/2004 |
| 25 | Gorkha Finance Co. Ltd. | 9 th Annual Report | 05/04/2004 |
| 26 | United Finance Co. Ltd. | 9 th Annual Report | 03/05/2004 |
| 27 | Butwal Finance Ltd. | 6 th Annual Report | 07/05/2004 |
| 28 | Nepal Finance & Saving Co. Ltd. | 11 th Annual Report | 28/05/2004 |

| S.N. | Name of Listed Companies | Annual Report/Financial Statement | Date of Submission |
|---|---|---|--------------------|
| 29 | Central Finance Co. Ltd. | 7 th Annual Report | 28/05/2004 |
| 30 | Srilanka Merchant Bank Ltd. | 8 th Annual Report | 01/06/2004 |
| Insurance Company | | | |
| 1 | United Insurance Co. (Nepal) Ltd. | 10 th Annual Report | 27/11/2003 |
| 2 | Everest Insurance Co. Ltd. | 8 th , 9 th , Annual Report | 12/12/2003 |
| 3 | Himalayan General Insurance Co. Ltd. | 10 th Annual Report | 29/12/2003 |
| 4 | Sagarmatha Insurance Co. Ltd. | 7 th Annual Report | 02/01/2004 |
| 5 | Premier Insurance Co. (Nepal) Ltd. | 10 th Annual Report | 27/01/2004 |
| 6 | Life Insurance Corporation (Nepal) Ltd. | 2 nd Annual Report | 05/02/2004 |
| 7 | Nepal Life Insurance Co. Ltd. | 4 th Annual Report | 11/02/2004 |
| 8 | Neco Insurance Co. Ltd. | 8 th Annual Report | 12/02/2004 |
| 9 | Alliance Insurance Co. Ltd. | Financial Report | 21/03/2004 |
| 10 | National Life & General Insurance Ltd. | 16 th Annual Report | 15/06/2004 |
| Hotel | | | |
| 1 | Yak & Yeti Hotel Ltd. | 27 th Annual Report | 16/01/2004 |
| 2 | Soaltee Hotel Ltd. | 29 th Annual Report | 08/03/2004 |
| 3 | Oriental Hotel Ltd. | 3 rd , 4 th , 5 th , 6 th , Annual Report | 31/03/2004 |
| Manufacturing & Processing Company | | | |
| 1 | Nepal Lever Ltd. | 10 th Annual Report | 01/12/2003 |
| 2 | Bottlers Nepal (Balaju) Ltd. | 25 th Annual Report | 13/01/2004 |
| 3 | Bottlers Nepal (Tarai) Ltd. | 17 th Annual Report | 13/01/2004 |
| 4 | Shree Raghupati Jute Mills Ltd. | 6 th Annual Report | 22/03/2004 |
| 5 | Jyoti Spinning Mills Ltd. | 14 th Annual Report | 21/04/2004 |
| 6 | Khadya Udyog Ltd. | 31 st Annual Report | 28/04/2004 |
| 7 | Nepal Banaspati Ghee Udhog Ltd. | 18 th Annual Report | 05/05/2004 |
| 8 | Nepal Lube Oil Ltd. | 12 th Annual Report | 30/05/2004 |
| Trading Company | | | |
| 1 | Bishal Bazar Co. Ltd. | 23 rd Annual Report | 24/11/2003 |
| 2 | Salt Trading Co. Ltd. | 37 th Annual Report | 01/01/2004 |
| 3 | Nepal Welfare Co. Ltd. | Financial Statement | 15/07/2004 |

Name of the companies not submitting the annual reports for the fiscal year 2002/03 in this fiscal year are given in table 20.

Table 20: Companies Not Submitting Annual Reports

| S.N. | Name of the Company | S.N. | Name of the Company |
|------|---|------|--|
| 1 | Nepal Bank Ltd. (De-listed on 01/04/2004) | 2 | Nepal Industrial Development Corporation (NIDC) |
| 3 | NIDC Capital Market Ltd. | 4 | Siddhartha Finance Ltd. |
| 5 | Yeti Finance Co. Ltd. | 6 | Lumbini Finance & Leasing Co. Ltd. |
| 7 | Rastriya Beema Sansthan | 8 | Nepal Insurance Co. Ltd. |
| 9 | NB Insurance Co. Ltd. | 10 | Taragoan Regency Hotel Ltd. |
| 11 | Shree Ram Sugar Mills Ltd. | 12 | The Juddha Match Factory (Biratnagar) Ltd. |
| 13 | Shree Bhrikuti Pulp & Paper Nepal Ltd. | 14 | Arun Banaspati Udhyog Ltd. |
| 15 | Butwal Dhago Karkhana Ltd. | 16 | Fleur Himalayan Ltd. |
| 17 | Morang Sugar Mills Ltd. | 18 | Nepal Battery Co. Ltd. |
| 19 | Birat Shoe Ltd. | 20 | Biratnagar Jute Mills Ltd. |
| 21 | Himal Cement Co. Ltd. | 22 | Nepal Med Ltd. |
| 23 | Nepal Plywood & Bobbin Co. Ltd. | 24 | Nepal Bitumen and Barrel Udhyog Ltd. |
| 25 | Ace Laboratories (Nepal) Ltd. | 26 | Himalayan Distillery Ltd. |
| 27 | Himgiri Textiles Industries Ltd. | 28 | Leatherage Bansbari Tannery & Shoe Factory Ltd. |
| 29 | Gorakhkali Rubber Udhyog Ltd. | 30 | Sayapatri Colour Lab Co. Ltd. |
| 31 | Harisiddhi Brick & Tiles Factory Ltd. | 32 | Nepal Trading Ltd. |
| 33 | Nepal United Co. Ltd. | 34 | Plastic Trading Co. Ltd. |
| 35 | Nepal Byapar Bikash Co. Ltd. | 36 | Nepal Byapar Co. (Koshi) Ltd. |
| 37 | Nepal Film Development Co. Ltd. | 38 | National Hydro Power Co. Ltd. |
| 39 | Necon Air Ltd. | 40 | National Productivity & Economic Development Center Ltd. |

Submission of Half Yearly Reports

In this fiscal year, only six companies submitted half yearly reports to SEBO. Out of these six companies, five companies submitted on time.

Table 21 Submission of Half Yearly Report by the Listed Companies

| S.N. | Name of Listed Companies | Date of Submission |
|------|---------------------------------------|--------------------|
| 1 | Annapurna Finance Ltd. | 05/02/2003 |
| 2 | Nirdhan Uthan Bank Ltd. | 11/02/2003 |
| 3 | Narayani Finance Ltd. | 11/02/2003 |
| 4 | Pokhara Finance Ltd. | 11/02/2003 |
| 5 | Nepal Lever Ltd. | 24/02/2003 |
| 6 | Nepal Merchant Banking & Finance Ltd. | 09/06/2003 |

6.2 Annual General Meeting

As prescribed by the prevailing legislation, corporate bodies should conduct their AGM within six months after the expiry of the fiscal year. Accordingly, out of 108 listed companies, 34 companies have conducted their AGM of the fiscal year 2002/03 on time. In this fiscal year, 74 companies consisting of 11 commercial banks, three development banks, 35 finance companies, 10 insurance companies, two hotels, 11 manufacturing and processing companies and two trading companies have conducted their AGM of the fiscal year 2002/03. Listed companies holding AGM are given in table 22.

6.3 Dividend/Bonus Share/ Share Capitalization Declaration

Out of the 74 companies holding AGM in this fiscal year, 32 companies have declared cash dividend, nine declared bonus share and one used the profit to add value of partly paid shares. In addition, two companies declared both dividend and bonus share. The range of dividend declaration is 1.32 to 110 percent and the bonus share declaration is 10 to 100 percent. The detail is given in table 22.

Table 22: Annual General Meetings and Dividend/Bonus Share/ Share Capitalization Declaration

| S.N. | Name of the Company | AGM | Held on | Dividend/ Bonus Share | Percent (On Paid-up Value) |
|-------------------------|---|------------------|------------|------------------------------|----------------------------------|
| Commercial Bank | | | | | |
| 1 | Nepal Industrial & Commercial Bank Ltd. | 6 th | 05/01/2003 | - | - |
| 2 | Standard Chartered Bank Nepal Ltd. | 17 th | 08/01/2004 | Cash Dividend Bonus Share | 110 10 |
| 3 | Bank of Kathmandu Ltd. | 9 th | 09/01/2004 | Cash Dividend | 5 |
| 4 | Nepal Investment Bank Ltd. | 17 th | 13/01/2004 | Cash Dividend | 20 |
| 5 | Everest Bank Ltd. | 9 th | 13/01/2004 | Cash Dividend | 20 |
| 6 | Macchhapucchra Bank Ltd. | 5 th | 13/01/2004 | - | - |
| 7 | Nabil Bank Ltd. | 19 th | 09/05/2004 | Cash Dividend | 50 |
| 8 | Laxmi Bank Ltd. | 3 rd | 08/02/2004 | - | - |
| 9 | Himalayan Bank Ltd. | 11 th | 25/03/2004 | Cash Dividend Bonus Share | 1.32 25 |
| 10 | Nepal SBI Bank Ltd. | 10 th | 02/04/2004 | Cash Dividend | 8 |
| 11 | Nepal Bangladesh Bank Ltd. | 9 th | 11/04/2004 | - | - |
| Development Bank | | | | | |
| 1 | Development Credit Bank Ltd. | 3 rd | 07/12/2003 | Cash Dividend | 10 |
| 2 | Nirdhan Utthan Bank Ltd. | 5 th | 03/01/2004 | - | - |
| 3 | Nepal Development Bank Ltd. | 5 th | 05/04/2004 | - | - |

| S.N. | Name of the Company | AGM | Held on | Dividend/ Bonus Share | Percent (On Paid-up Value) |
|-------------------------------|--|------------------|------------|--------------------------|----------------------------------|
| <i>Finance Company</i> | | | | | |
| 1 | Pokhara Finance Ltd. | 7 th | 25/09/2003 | Cash Dividend, | 25 |
| 2 | Mahalaxme Finance Ltd. | 8 th | 26/09/2003 | Cash Dividend | 20 |
| 3 | Narayani Finance Ltd. | 9 th | 08/11/2003 | Bonus Share | 20 |
| 4 | National Finance Co. Ltd. | 11 th | 12/12/2003 | Bonus Share | 20 |
| 5 | Nepal Merchant Banking & Finance Ltd. | 8 th | 14/12/2003 | Cash Dividend | 20 |
| 6 | Ace Finance Co. Ltd. | 8 th | 22/12/2003 | Bonus Share | 15 |
| 7 | Pashchimanchal Finance Co. Ltd. | 8 th | 02/01/2004 | Cash Dividend | 30 |
| 8 | Union Finance Co. Ltd. | 9 th | 04/01/2004 | Bonus Share | 10 |
| 9 | Nepal Housing & Merchant Finance Ltd. | 9 th | 07/01/2004 | Cash Dividend | 10 |
| 10 | Nepal Abas Bikash Bitta Co. Ltd. | 11 th | 09/01/2004 | Cash Dividend | 15 |
| 11 | Annapurna Finance Co. Ltd. | 10 th | 11/01/2004 | Cash Dividend | 12 |
| 12 | Shree Investment & Finance Co. Ltd. | 9 th | 12/01/2004 | Cash Dividend | 25 |
| 13 | Kathmandu Finance Ltd. | 9 th | 13/01/2004 | Bonus Share | 50 |
| 14 | Universal Finance Co. Ltd. | 8 th | 13/01/2004 | Cash Dividend | 12 |
| 15 | Navadurga Finance Co. Ltd. | 7 th | 14/01/2004 | Cash Dividend | 10 |
| 16 | Central Finance Co. Ltd. | 7 th | 14/01/2004 | Cash Dividend | 10 |
| 17 | HISEF Finance Ltd. | 9 th | 29/01/2004 | - | - |
| 18 | International Leasing & Finance Co. Ltd. | 8 th | 26/02/2004 | Cash Dividend | 10 |
| 19 | Goodwill Finance Co. Ltd. | 9 th | 11/03/2004 | Share Capitalization | Rs.5 |
| 20 | Premier Finance Co. Ltd. | 7 th | 11/03/2004 | Cash Dividend | 12 |
| 21 | Peoples Finance Ltd. | 7 th | 12/03/2004 | - | - |
| 22 | NB Finance & Leasing Co. Ltd. | 5 th | 20/03/2004 | Cash Dividend | 10 |
| 23 | Siddhartha Finance Ltd. | 8 th | 27/03/2004 | Cash Dividend | 15 |
| 24 | Nepal Share Markets Co. Ltd. | 10 th | 29/03/2004 | - | - |
| 25 | Lalitpur Finance Co. Ltd. | 7 th | 02/04/2004 | - | - |
| 26 | Citizen Investment Trust | 9 th | 04/04/2004 | Cash Dividend | 14 |
| 27 | United Finance Ltd. | 9 th | 05/04/2004 | Cash Dividend | 5 |
| 28 | Alpic Everest Finance Ltd. | 10 th | 05/04/2004 | Bonus Share | 20 |
| 29 | Gorkha Finance Co. Ltd. | 9 th | 09/04/2004 | Cash Dividend | 23 |
| 30 | General Finance Co. Ltd. | 7 th | 10/04/2004 | - | - |
| 31 | Nepal Sri Lanka Merchant Bank Ltd. | 8 th | 13/04/2004 | - | - |
| 32 | Butwal Finance Ltd. | 6 th | 22/04/2004 | Cash Dividend | 16.67 |

| S.N. | Name of the Company | AGM | Held on | Dividend/ Bonus Share | Percent (On Paid-up Value) |
|--|--|-------------------------------------|------------|--------------------------|----------------------------------|
| 33 | Nepal Finance & Saving Co. Ltd. | 11 th | 03/06/2004 | - | - |
| 34 | Samjhana Finance Co. Ltd. | 9 th | 14/16/2004 | - | - |
| 35 | Standard Finance Ltd. | 8 th | 14/07/2004 | - | - |
| <i>Insurance Company</i> | | | | | |
| 1 | United Insurance Co. (Nepal) Ltd. | 10 th | 17/12/2003 | - | - |
| 2 | Everest Insurance Co. Ltd. | 8 th and 9 th | 02/01/2004 | Bonus Share | 100 |
| 3 | Himalayan General Insurance Co. Ltd. | 10 th | 07/01/2004 | - | - |
| 4 | Sagarmatha Insurance Co. Ltd. | 7 th | 22/01/2004 | Bonus Share | 10 |
| 5 | Nepal Life Insurance Co. Ltd. | 4 th | 10/02/2004 | - | - |
| 6 | Premier Insurance Co. (Nepal) Ltd. | 10 th | 13/02/2004 | - | - |
| 7 | Life Insurance Corporation (Nepal) Ltd. | 2 nd | 24/02/2004 | - | - |
| 8 | Neco Insurance Ltd. | 8 th | 05/03/2004 | - | - |
| 9 | NB Insurance Co. Ltd. | 6 th | 08/04/2004 | Cash Dividend | 5 |
| 10 | National Life & General Insurance Co. Ltd. | 16 th | 21/05/2004 | Bonus Share | 100 |
| <i>Hotel</i> | | | | | |
| 1 | Yak & Yeti Hotel Ltd. | 27 th | 12/01/2004 | - | - |
| 2 | Soaltee Hotel Ltd. | 29 th | 12/01/2004 | - | - |
| <i>Manufacturing and Processing Company</i> | | | | | |
| 1 | Nepal Lever Ltd. | 10 th | 12/12/2003 | Cash Dividend | 90 |
| 2 | Bottlers Nepal Ltd. (Balaju) | 25 th | 21/12/2003 | Cash Dividend | 5 |
| 3 | Bottlers Nepal (Terai) Ltd. | 17 th | 21/12/2003 | Cash Dividend | 10 |
| 4 | Khadya Udhog Ltd. | 31 st | 11/03/2004 | - | - |
| 5 | Jyoti Spinning Mills Ltd. | 14 th | 05/04/2004 | - | - |
| 6 | Arun Vanaspati Udyog Ltd. | 13 th | 05/04/2004 | - | - |
| 7 | Sayapatri Colour Lab Co. Ltd. | 13 th | 10/04/2004 | | |
| 8 | Nepal Banaspati Ghee Udhog Ltd. | 8 th | 12/04/2004 | - | - |
| 9 | Sri Raghupati Jute Mills Ltd. | 6 th | 25/05/2004 | - | - |
| 10 | Nepal Lube Oil Ltd. | 12 th | 04/06/2004 | Cash Dividend | 15 |
| 11 | Nepal Bitumen and Barrel Udhog Ltd. | 15 th | 12/07/2004 | - | - |
| <i>Trading Company</i> | | | | | |
| 1 | Bishal Bazar Co. Ltd. | 23 rd | 06/12/2003 | Cash Dividend | 75 |
| 2 | Salt Trading Corporation Ltd. | 37 th | 14/01/2004 | Cash Dividend | 20 |

6.4 Rights Share Announcement

In this fiscal year, NB Finance and Leasing Co. Ltd. and Everest Insurance Co. Ltd. announced to issue rights shares in the ratio of 1:1 and 2:3 respectively. Similarly, Annapurna Finance Co. Ltd., from its special AGM, announced to issue rights share in the ratio of 1:1.

6.5 Operational Results of Listed Companies

As revealed by the annual reports of the fiscal year 2002/03 submitted to SEBO, the operational results of the listed companies as well as the market price of their shares at the end of the same year is presented in table 23.

Table 23: Listed Companies' Operational Results of the Fiscal Year 2002/03

| S.N. | Name of the Listed Company | Paid-up Capital (Rs. in Million) | Net worth Per Share (Rs.) | Net Profit (Rs. in Million) | Profit Per Share (Rs.) | Paid-up Value Per Share (Rs.) | Market Price of the Share (Rs.) |
|-------------------------|---|-------------------------------------|------------------------------|--------------------------------|---------------------------|----------------------------------|------------------------------------|
| Commercial Bank | | | | | | | |
| 1 | Nepal Investment Bank Ltd. | 295.29 | 216.23 | 116.82 | 39.56 | 100.00 | 795.00 |
| 2 | Bank of Kathmandu Ltd. | 463.58 | 124.93 | 82.13 | 17.72 | 100.00 | 198.00 |
| 3 | Himalayan Bank Ltd. | 429.00 | 247.82 | 212.13 | 49.54 | 100.00 | 836.00 |
| 4 | Nabil Bank Ltd. | 491.65 | 267.30 | 416.24 | 84.66 | 100.00 | 735.00 |
| 5 | Nepal Industrial & Commercial Bank Ltd. | 499.95 | 110.42 | 25.94 | 5.19 | 100.00 | 180.00 |
| 6 | Nepal SBI Bank Ltd. | 424.89 | 134.05 | 48.75 | 11.47 | 100.00 | 255.00 |
| 7 | Nepal Bangladesh Bank Ltd. | 359.92 | 190.02 | 71.50 | 19.87 | 100.00 | 360.00 |
| 8 | Everest Bank Ltd. | 315.00 | 150.10 | 94.18 | 29.90 | 100.00 | 445.00 |
| 9 | Macchhapucchre Bank Ltd. | 544.17 | 92.20 | 15.31 | 35.59 | 100.00 | 100.00 |
| 10 | Laxmi Bank Ltd.* | 330.00 | 99.04 | 1.03 | 0.31 | 100.00 | - |
| 11 | Standard Chartered Bank (Nepal) Ltd. | 339.55 | 403.16 | 506.93 | 149.30 | 100.00 | 1640.00 |
| Development Bank | | | | | | | |
| 1 | Development Credit Bank Ltd. | 160.00 | 105.27 | 16.65 | 10.41 | 100.00 | 145.00 |
| 2 | Nepal Development Bank Ltd. | 144.00 | 108.00 | 1.08 | 0.75 | 100.00 | 140.00 |
| 3 | Nirdhan Utthan Bank Ltd. | 6.70 | 143.77 | 1.69 | 17.34 | 100.00 | 100.00 |
| Finance Company | | | | | | | |
| 1 | Narayani Finance Ltd. | 25.15 | 142.72 | 7.49 | 29.78 | 100.00 | 260.00 |
| 2 | Kathmandu Finance Ltd. | 20.00 | 154.90 | 6.77 | 33.85 | 100.00 | 235.00 |
| 3 | Gorkha Finance Ltd. | 25.00 | 112.24 | 4.27 | 17.08 | 100.00 | 102.00 |
| 4 | Pokhara Finance Ltd. | 20.00 | 235.95 | 13.56 | 67.80 | 100.00 | 275.00 |

| S.N. | Name of the Listed Company | Paid-up Capital (Rs. in Million) | Net worth Per Share (Rs.) | Net Profit (Rs. in Million) | Profit Per Share (Rs.) | Paid-up Value Per Share (Rs.) | Market Price of the Share (Rs.) |
|------|--|-------------------------------------|------------------------------|--------------------------------|---------------------------|----------------------------------|------------------------------------|
| 5 | Shree Investment & Finance Co. Ltd. | 24.00 | 158.17 | 8.60 | 35.83 | 100.00 | 145.00 |
| 6 | National Finance Co. Ltd. | 30.00 | 307.47 | 10.72 | 35.73 | 100.00 | 455.00 |
| 7 | Lalitpur Finance Co. Ltd. | 33.75 | 153.87 | 11.63 | 34.46 | 100.00 | 265.00 |
| 8 | Alpic Everest Finance Ltd. | 20.00 | 171.70 | 6.41 | 32.05 | 100.00 | 135.00 |
| 9 | Mahalaxmi Finance Ltd. | 50.00 | 131.82 | 12.30 | 24.60 | 100.00 | 245.00 |
| 10 | Nepal Merchant Banking & Finance Ltd. | 100.00 | 75.90 | 30.24 | 15.12 | 50.00 | 171.00 |
| 11 | Annapurna Finance Co. Ltd. | 20.00 | 313.20 | 13.43 | 67.15 | 100.00 | 420.00 |
| 12 | Pashchimanchal Finance Co. Ltd. | 40.00 | 158.10 | 21.27 | 53.18 | 100.00 | 235.00 |
| 13 | Ace Finance Co. Ltd. | 90.00 | 127.94 | 23.36 | 25.96 | 100.00 | 240.00 |
| 14 | Nepal Housing & Merchant Finance Ltd. | 45.00 | 140.64 | 7.35 | 16.33 | 100.00 | 240.00 |
| 15 | Universal Finance Co. Ltd. | 31.50 | 112.53 | 7.41 | 19.76 | 84.00 | 150.00 |
| 16 | Nepal Finance & Saving Co. Ltd. | 20.00 | 210.90 | 0.08 | 0.38 | 100.00 | 176.00 |
| 17 | HISEF Finance Ltd. | 59.82 | 58.37 | (30.01) | (3.24) | 100.00 | 128.00 |
| 18 | Samjhana Finance Co. Ltd. | 21.17 | 78.71 | 2.92 | 12.98 | 100.00 | 125.00 |
| 19 | Nepal Housing Dev. & Finance Co. Ltd. | 48.99 | 132.69 | 9.49 | 19.37 | 50.00 | 153.00 |
| 20 | Goodwill Finance Co. Ltd. | 23.75 | 120.24 | 2.39 | 9.56 | 95.00 | 235.00 |
| 21 | Nepal Share Markets Ltd. | 120.00 | 103.04 | (2.78) | (2.32) | 100.00 | 125.00 |
| 22 | Union Finance Co. Ltd. | 59.72 | 119.70 | 12.03 | 20.14 | 100.00 | 119.00 |
| 23 | United Finance Ltd. | 60.00 | 108.93 | 0.72 | 1.20 | 100.00 | 103.00 |
| 24 | Nepal Sri Lanka Merchant Bank Ltd. | 100.00 | 91.55 | 1.12 | 1.12 | 100.00 | 91.00 |
| 25 | Citizen Investment Trust | 39.99 | 152.83 | 7.53 | 18.83 | 100.00 | 170.00 |
| 26 | Peoples Finance Ltd. | 20.00 | 134.70 | 0.77 | 3.87 | 100.00 | 90.00 |
| 27 | International Leasing & Finance Co. Ltd. | 120.00 | 117.78 | 12.22 | 10.18 | 100.00 | 112.00 |
| 28 | NB Finance & Leasing Co. Ltd. | 30.00 | 115.50 | 5.36 | 17.87 | 100.00 | 102.00 |
| 29 | Premier Finance Co. Ltd. | 20.00 | 114.15 | 0.42 | 2.10 | 100.00 | 115.00 |
| 30 | Central Finance Co. Ltd. | 20.00 | 128.80 | 2.09 | 10.45 | 100.00 | 138.00 |
| 31 | Navadurga Finance Co. Ltd.* | 20.00 | 114.85 | 2.12 | 1.06 | 100.00 | - |
| 32 | Butwal Finance Co. Ltd.* | 30.00 | 121.50 | 4.35 | 14.54 | 100.00 | - |
| 33 | General Finance Ltd. | 18.88 | 103.38 | 2.08 | 11.03 | 100.00 | 180.00 |

| S.N. | Name of the Listed Company | Paid-up Capital (Rs. in Million) | Net worth Per Share (Rs.) | Net Profit (Rs. in Million) | Profit Per Share (Rs.) | Paid-up Value Per Share (Rs.) | Market Price of the Share (Rs.) |
|---|--|-------------------------------------|------------------------------|--------------------------------|---------------------------|----------------------------------|------------------------------------|
| Insurance Company | | | | | | | |
| 1 | Premier Insurance Co. (Nepal) Ltd. | 30.00 | 231.23 | 5.97 | 19.90 | 100.00 | 192.00 |
| 2 | United Insurance Co. (Nepal) Ltd. | 56.62 | 162.39 | 3.38 | 5.97 | 100.00 | 138.00 |
| 3 | Sagarmatha Insurance Co. Ltd. | 51.00 | 174.00 | 10.40 | 20.39 | 100.00 | 150.00 |
| 4 | Neco Insurance Co. Ltd. | 50.00 | 185.04 | 6.06 | 12.12 | 100.00 | 130.00 |
| 5 | Himalayan General Ins. Co. Ltd. | 30.00 | 250.53 | 11.52 | 38.40 | 100.00 | 190.00 |
| 6 | Everest Insurance Co. Ltd. | 30.00 | 200.00 | 18.52 | 92.60 | 100.00 | 610.00 |
| 7 | Nepal Life Insurance Co. Ltd. | 250.00 | - | - | - | 100.00 | 115.00 |
| 8 | National Life and General Insurance Co. Ltd. | 30.00 | 294.37 | 17.71 | 59.03 | 100.00 | 460.00 |
| 9 | Life Insurance Corporation (Nepal) Ltd. | 250.00 | - | - | - | 100.00 | 125.00 |
| 10 | Alliance Insurance Co. Ltd. | 49.94 | 130.38 | 8.08 | 16.17 | 100.00 | 110.00 |
| Hotel | | | | | | | |
| 1 | Yak & Yeti Hotel Ltd. | 225.84 | 197.87 | (8.88) | (3.93) | 100.00 | 600.00 (2001/02) |
| 2 | Soaltee Hotel Ltd. | 86.97 | 36.88 | (37.80) | (4.35) | 10.00 | 75.00 |
| 3 | Oriental Hotel Ltd. | 495.20 | 19.25 | (120.35) | (24.20) | 100.00 | 49.00 |
| Manufacturing and Processing Company | | | | | | | |
| 1 | Nepal Lever Ltd. | 92.07 | 389.30 | 93.17 | 101.19 | 100.00 | 1130.00 |
| 2 | Sri Raghupati Jute Mills Ltd. | 180.70 | 100.54 | 4.74 | 2.62 | 100.00 | 16.00 (1996/97) |
| 3 | Nepal Lube Oil Ltd. | 20.29 | 195.59 | 4.24 | 20.89 | 100.00 | 400.00 |
| 4 | Jyoti Spinning Mills Ltd. | 134.04 | (100.96) | (5.29) | (3.78) | 100.00 | 31.00 |
| 5 | Bottlers Nepal (Balaju) Ltd. | 194.89 | 362.03 | 19.37 | 9.94 | 100.00 | 700.00 |
| 6 | Bottlers Nepal (Terai) Ltd. | 121.00 | 326.85 | 25.36 | 20.96 | 100.00 | 480.00 |
| 7 | Nepal Banaspati Ghee Udhog Ltd. | 20.25 | (874.47) | (42.23) | (208.52) | 100.00 | 300 (1997/98) |
| 8 | Khadya Udhog Ltd. | 12.93 | 553.08 | (8.79) | (68.00) | 100.00 | 231.00 (1996/97) |
| Trading Company | | | | | | | |
| 1 | Bishal Bazar Co. Ltd. | 27.30 | 150.51 | 22.77 | 83.41 | 100.00 | 1405.00 |
| 2 | Salt Trading Corporation Ltd. | 24.78 | 2189.44 | 50.25 | 202.80 | 100.00 | 300.00 (2001/02) |
| 3 | Nepal Welfare Co. Ltd. | 3.08 | 74.55 | (0.35) | (8.43) | 75.00 | 80.00 |

* Companies not listed till the fiscal year 2002/03

APPENDICES

Appendix-1

Personnel of SEBO

| <u>Name</u> | <u>Designation</u> |
|------------------------------|--|
| 1. Mr. Deepak Raj Kafle | Chairman |
| 2. Mr. Paristha Nath Poudyal | Deputy Director |
| 3. Mr. Niraj Giri | Deputy Director |
| 4. Mr. Binaya Dev Acharya | Chief, Corporate Finance and Reports Review Division |
| 5. Mrs. Manju Upadhaya | Chief, Accounts and Administration Division |
| 6. Mr. Nabaraj Adhikari | Chief, Market Analysis & Planning Development Division |
| 7. Mr. Mukti Nath Shrestha | Chief, Market Regulation & Compliance Division |
| 8. Mr. Dhruva Timilsina | Chief, HRD and Education Division |
| 9. Mr. Puspa Baruwal | Acting Officer, HRD and Education Division |

Supervisory Staffs

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

Support Staffs

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

Appendix-2**Securities Board, Nepal
Thapathali, Kathmandu****Balance Sheet
As of 15th July 2004**

(Rs. in '000)

| Assets | 2003/2004* | 2002/2003 |
|---------------------|-------------------|------------------|
| Fixed Assets (Net) | 870.51 | 889.50 |
| Investment | 12257.19 | 12501.97 |
| Net Working Capital | 2616.99 | 2274.73 |
| Total Assets | 15744.69 | 15666.20 |

(Rs. in '000)

| Liabilities | 2003/2004* | 2002/2003 |
|--------------------------|-------------------|------------------|
| General Reserve Fund | 5850.00 | 5850.00 |
| Revolving Fund | 8300.00 | 8300.00 |
| Gratuity Fund | 172.19 | 1013.57 |
| Staff Welfare Fund | 00.00 | 305.00 |
| Surplus | 1422.50 | 197.63 |
| Total Liabilities | 15744.69 | 15666.20 |

* Provisional

Appendix-2 (Contd.)**Securities Board, Nepal
Thapathali, Kathmandu****Income Statement
Fiscal Year 2003/04**

(Rs. in '000)

| Income | 2003/2004* | 2002/2003 |
|---------------------|-------------------|------------------|
| Grant From HMG/N | 5050.00 | 5000.00 |
| Interest | 845.83 | 1011.08 |
| Registration Fees | 2329.87 | 1595.45 |
| Total Income | 8225.70 | 7606.53 |

(Rs. in '000)

| Expenditure | 2003/2004* | 2002/2003 |
|--------------------------|-------------------|------------------|
| Administrative Expenses | 6516.00 | 6246.05 |
| Board Meeting Expenses | 135.44 | 107.33 |
| Depreciation | 349.40 | 317.88 |
| Total Expenditure | 7000.84 | 6671.26 |

| | | |
|--|---------|--------|
| Surplus (Excess of Income over Expenditure) | 1224.86 | 935.27 |
|--|---------|--------|

(Rs. in '000)

| | 2003/2004* | 2002/2003 |
|--------------------------|-------------------|------------------|
| Surplus of previous year | 197.64 | 298.97 |
| Surplus of current year | 1224.86 | 935.26 |
| Total Surplus | 1422.50 | 1234.23 |

* Provisional

Appendix-2 (Contd.)**Securities Board, Nepal
Thapathali, Kathmandu****Cash Flow Statement
As of 15th July 2004**

(Provisional)

| Particulars | Rs. | Rs. |
|---|---------------------|-------------------|
| Cash flows from operating activities | | |
| This year's surplus prior to appropriation | 1,224,859.78 | |
| Adjustment for | | |
| Depreciation | 349,402.88 | |
| Interest Income | (845,832.25) | |
| Operating income before working capital changes | 728,430.41 | 728,430.41 |
| Increase in current assets | 351,049.25 | |
| Payment from gratuity fund | (841,378.21) | |
| Payment from staff welfare fund | (305,000.00) | |
| Increase in current liabilities | (233,984.39) | |
| Cash generated from operation | (300,882.94) | |
| Cash flows from investing activities | | |
| Interest received | 845,832.25 | |
| Accrued interest for last year | 929,600.00 | |
| Accrued interest for this year | (845,950.00) | |
| Purchase of Fixed Assets | (322,730.22) | |
| Investment | (465,000.00) | |
| Net cash used in investing activities | | (787,730.22) |
| Net decrease in cash and cash equivalents | | (159,130.91) |
| Cash and cash equivalents at the beginning of the period | | 174,716.65 |
| Cash and cash equivalents at the end of the period | | 15,585.74 |

Appendix-3

Public Issue Approval
(Fiscal Year 1993/94 to 2003/2004)

(Rs. in million)

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

| <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> |
|-----------------------------------|--|----------------------------|---------------------------------|------------------------|------------------------------------|
| <i>Fiscal Year 1995/96</i> | | | | | |
| 30 | Nepal Abbas Bikash Bitta Co. Ltd. | Ordinary Share | 20.00 | 01/08/1995 | RBB |
| 31 | Narayani Finance Co. Ltd. | Ordinary Share | 4.00 | 11/09/1995 | NFCL |
| 32 | Nepal Finance & Saving Co. Ltd. | Rights Share | 2.00 | 22/10/1995 | |
| 33 | Shree Brikuti Pulp & Paper Nepal Ltd. | Ordinary Share | 105.00 | 05/12/1995 | CIT |
| 34 | Yeti Finance Co. Ltd. | Ordinary Share | 8.00 | 05/02/1996 | NCML |
| 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 | Fleur Himalayan Co. Ltd. | Ordinary Share | 12.28 | 07/04/1996 | NCML |
| 39 | Ace Finance Co. Ltd. | Ordinary Share | 12.00 | 14/04/1996 | NSML |
| 40 | Samjhana Finance Ltd. | Ordinary Share | 10.12 | 06/06/1996 | RBB |
| 41 | Seti Cigarette Factory Ltd. | Rights Share | 67.00 | 02/07/1996 | |
| <i>Total</i> | | | <i>293.74</i> | | |
| <i>Fiscal Year 1996/97</i> | | | | | |
| 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 |
| <i>Total</i> | | | <i>332.20</i> | | |
| <i>Fiscal Year 1997/98</i> | | | | | |
| 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 | 05/01/1998 | 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 |
| <i>Total</i> | | | <i>462.36</i> | | |

| <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> |
|-------------------------------------|---|--------------------------------|---------------------------------|------------------------|------------------------------------|
| <i>Fiscal Year 1998/99</i> | | | | | |
| 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 |
| <i>Total</i> | | | <i>258.00</i> | | |
| <i>Fiscal Year 1999/2000</i> | | | | | |
| 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 | 29/03/2000 | NSML |
| 71 | Sagarmatha Insurance Co. Ltd. | Ordinary Share | 10.20 | 14/06/2000 | NCML |
| 72 | Oriental Hotels Ltd. | Ordinary Share | 150.00 | 27/06/2000 | NCML |
| | Citizen Unit Scheme | Additional Sale | 93.25 | | |
| <i>Total</i> | | | <i>630.31</i> | | |
| <i>Fiscal Year 2000/2001</i> | | | | | |
| 73 | Siddhartha Finance Ltd. | Ordinary Share | 8.00 | 07/11/2000 | NMB |
| 74 | Nepal Merchant Banking & Finance Ltd. | Ordinary Share | 50.00 | 30/11/2000 | NCML |
| 75 | Alpic Everest Finance Ltd. | Ordinary Share | 5.00 | 12/12/2000 | NEFINSCO |
| 76 | Nepal Bangladesh Finance & Leasing Co. Ltd. | Ordinary Share | 7.50 | 19/01/2001 | NSML,NSMB |
| 77 | Narayani Finance Ltd. | Rights Share | 12.58 | 12/03/2001 | NSML |
| 78 | Nepal Bank of Ceylon Ltd. | Ordinary Share (not issued) | 150.00 | 13/04/2001 | NCML,NSMB, CIT |
| 79 | Everest Bank Ltd. | Rights Share | 119.21 | 30/05/2001 | CIT |
| 80 | Nepal Development Bank Ltd. | Ordinary Share | 48.00 | 18/06/2001 | CIT, NMB |
| 81 | Bank of Kathmandu Ltd. | Rights Share | 234.00 | 13/07/2001 | NCML |
| | Citizen Unit Scheme | Additional Sale | 82.91 | | |
| <i>Total</i> | | | <i>717.20</i> | | |

| <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> |
|-------------------------------------|--|--------------------------------|---------------------------------|------------------------|--|
| <i>Fiscal Year 2001/2002</i> | | | | | |
| 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 |
| 84 | Union Finance Co. Ltd. | Ordinary Share | 24.00 | 20/12/2001 | NCML |
| 85 | Development Credit Bank Ltd. | Ordinary Share | 48.00 | 02/01/2002 | 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 (Not issued) | 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. | Pref. Share | 140.00 | 18/06/2002 | NSML |
| 95 | International Leasing & Finance Co. Ltd. | Ordinary Share | 30.00 | 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 |
| | Citizen Unit Scheme | Additional Sale | 138.48 | | |
| <i>Total</i> | | | <i>1555.11</i> | | |
| <i>Fiscal Year 2002/2003</i> | | | | | |
| 98 | Life Insurance Corporation (Nepal) Ltd. | Ordinary Share | 50.00 | 22/07/2002 | NCML |
| 99 | Nepal Srilanka Merchant Bank Ltd. | Ordinary Share | 40.00 | 23/07/2002 | NCML |
| 100 | NIDC Capital Markets Ltd. | Mutual Fund | 100.00 | 09/08/2002 | Mgmt.: NCML Trusty: NIDC |
| 101 | Nepal Investment Bank Ltd. | Rights Share | 57.24 | 19/08/2002 | NCML |
| 102 | Janaki Finance Co. Ltd. | Ordinary Share | 8.00 | 28/08/2002 | NEFINSCO |
| 103 | Central Finance Co. Ltd. | Ordinary Share | 8.00 | 17/09/2002 | NCML |
| 104 | Navadurga Finance Co. Ltd. | Ordinary Share | 8.00 | 4/12/2002 | NEFINSCO |
| 105 | Premier Finance Co. Ltd. | Ordinary Share | 8.00 | 24/12/2002 | NCML |
| 106 | Machhauchhre Bank Ltd. | Ordinary Share | 165.00 | 31/12/2002 | NMB |
| 107 | Nepal Share Markets & Finance Ltd. | Rights Share | 60.00 | 06/01/2003 | CIT |
| 108 | Mahalaxmi Finance Ltd. | Rights Share | 25.00 | 12/02/2003 | NFCL |
| 109 | NB Insurance Co. Ltd. | Ordinary Share | 20.00 | 02/04/2003 | CIT |
| 110 | Peoples Finance Ltd. | Rights Share | 20.00 | 05/05/2003 | NCML |

| <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> |
|------------------------------|--|----------------------------|---------------------------------|------------------------|--|
| 111 | Butwal Finance Ltd. | Ordinary Share | 20.00 | 22/05/2003 | NMB |
| 112 | Om Finance Ltd. | Ordinary Share | 8.00 | 18/06/2003 | NEFINSCO |
| 113 | Laxmi Bank Ltd. | Ordinary Share | 192.50 | 30/06/2003 | CIT |
| 114 | Standard Finance Ltd. | Ordinary Share | 24.00 | 01/07/2003 | NMB |
| | Citizen Unit Scheme | Additional Sale | 40.09 | | |
| Total | | | 853.83 | | |
| Fiscal Year 2003/2004 | | | | | |
| 115 | Alpic Everest Finance Ltd. | Rights Share | 20.00 | 21/08/2003 | NEFINSCO |
| 116 | Nepal Investment Bank Ltd. | Debenture | 300.00 | 14/10/2003 | AFCL |
| 117 | Cosmic Merchant Banking & Finance Ltd. | Ordinary Share | 24.00 | 21/10/2003 | NMB |
| 118 | Kumari Bank Ltd. | Ordinary Share | 150.00 | 12/11/2003 | NCML, CIT |
| 119 | Siddhartha Finance Ltd. | Rights Share | 20.00 | 14/11/2003 | NEFINSCO |
| 120 | Fewa Finance Co. Ltd. | Ordinary Share | 8.00 | 06/02/2004 | NMB |
| 121 | Nepal Credit & Commerce Bank Ltd. | Ordinary Share | 210.00 | 13/02/2004 | NCML, CIT |
| 122 | Prudential Insurance Co. Ltd. | Ordinary Share | 20.00 | 22/04/2004 | NMB |
| 123 | NB Finance & Leasing Co. Ltd. | Rights Share | 30.00 | 10/05/2004 | NSMBL |
| 124 | Pashchimanchal Development Bank Ltd. | Ordinary Share | 6.00 | 24/05/2004 | NCML |
| 125 | Chhimake Development Bank Ltd. | Ordinary Share | 3.00 | 24/05/2004 | NMB |
| 126 | Lumbini Bank Ltd. | Ordinary Share | 150.00 | 02/06/2004 | CIT |
| 127 | Kist Merchant Banking & Finance Ltd. | Ordinary Share | 20.00 | 08/06/2004 | NMB |
| 128 | NB Bank Ltd. | Rights Share | 359.92 | 17/06/2004 | NSMBL |
| 129 | World Merchant Banking & Finance Ltd. | Ordinary Share | 24.00 | 08/07/2004 | NMB |
| 130 | National Hydro Power Co. Ltd. | Ordinary Share | 140.00 | 15/07/2004 | NCML, NSMBL |
| | Citizen Unit Scheme | Additional Sale | 62.87* | | |
| Total | | | 1547.79 | | |
| Grand Total | | | 7249.15 | | |

* Only the amount as per the renewed issue approval is included

Appendix-4

List of Listed Companies

| S.N. | Name of the Company | Listing Date | Address | Tel. No. | Fax No. |
|-------------------------|--|--------------|---|--|-----------------------|
| Bank | | | | | |
| 1 | Nabil Bank Ltd. | 24/11/1985 | POB 3729, Nabil House, Kamaladi, Ktm. E-mail : nabil@nabil.com.np | 4429546, 4429547 4435380-85 | 4429548 |
| 2 | Nepal Investment Bank Ltd. | 22/07/1986 | POB 3412, Darbar Marg, Ktm. | 4228229, 4242530 | 4226349 |
| 3 | Standard Chartered Bank (Nepal) Ltd. | 04/07/1988 | POB 3990, Naya Baneshwor, Ktm. E-mail : ANZ@Dixitu.com | 4782333 | |
| 4 | Himalayan Bank Ltd. | 05/07/1993 | POB 20590, Tridevi Marg, Thamel, Ktm. E-mail : hbl@hbl.mos.com.np | 4250201, 4227749 4227745, 4227756 | 4222800 |
| 5 | Nepal SBI Bank Ltd. | 17/01/1995 | POB 6049, Hattisar, Kamalpokhari, Ktm. E-mail : nsblco@mos.com.np | 4435516, 4435613 | 4435612 |
| 6 | Nepal Bangladesh Bank Ltd. | 24/12/1995 | POB 9062, Bijuli Bazar, New Baneshwor, Ktm. E-mail : nbbl@mos.com.np | 4490195, 4490698 4490767, 4490770 | 4490824 |
| 7 | Everest Bank Ltd. | 07/04/1996 | POB 13384, EBL House, Lazimpat, Ktm. E-mail : elb@mos.com.np | 4443377, 4443863 4443864 | 4443160 |
| 8 | Bank of Kathmandu Ltd. | 17/07/1997 | POB 9044, Kamal Pokhari, Ktm. E-mail : info@bok.mos.com.np | 4414541 | 4418990 |
| 9 | Machhapuchhare Bank Ltd. | 28/05/2003 | Central Off. POB:41, Naya Bazar, Pokhara-9, Corp: off: POB:12427, Putalisadak, Ktm. Email: machbank@mbl.com.np | 061-530900 4425356 | 530500 |
| 10 | Nepal Industrial & Commercial Bank Ltd. | 13/06/2000 | Central Off. POB 252 Main Road, Biratnagar Email: nicb@brt.wlink.com.np City Off. New Road. POB 7367 Ktm Email: newroad@nicbank.com.np | 021-521921 4243718 | 522748 4227507 |
| 11 | Laxmi Bank Ltd. | | POB. 61, Adrashanagar, Birgunj, Parsa. Email: info@laxmibankltd.com | 021-521921 4243718 | 530393 |
| Development Bank | | | | | |
| 1 | Nepal Industrial Development Corporation | 18/03/1985 | POB 10, Darbar Marg, Ktm. E-mail : nidc@Wlink.com.np | 4228322, 427220 | 4227428 |
| 2 | Nepal Development Bank Ltd. | 31/12/2001 | POB 11017, Heritage Plaza, Ktm. Email: ndb@ccsl.com.np | 4245740, 4245759, 4254639 | 4245753 |

| <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 | Development Credit Bank Ltd. | 13/06/2002 | POB 7716, Kathmandu Plaza, Kamaladi, Ktm. Email: info@dcbl.com.np | 4231120, 4231490 | 4231469 |
| 4 | Nirdhan Uthan Bank Ltd. | 24/04/2003 | Central Off. POB:41, Siddharthanagar, Rupandehi, Email: nirdhan@mail.com.np | 071-523764, 523768 | 521647 |
| <i>Finance Company</i> | | | | | |
| 1 | Nepal Finance & Saving Co. Ltd. | 02/02/1993 | POB 6867, Kamaladimode, Putalisadak, Ktm. E-mail: nefinco@info.com.np | 4220031, 4247020 | 4241237 |
| 2 | NIDC Capital Markets Ltd. | 28/06/1993 | POB 7423, Kamal Pokhari, Ktm. E-mail: ncml@wlink.com.np | 4423398, 4415958 4423219 | 4423401 |
| 3 | National Finance Co. Ltd. | 06/07/1993 | POB 6942, Pako, New Road, Ktm. E-mail : nfc@nfcl.wlink.com.np | 4242302, 4228380 4240134 | 4222920 |
| 4 | Nepal Share Markets Co. Ltd. | 28/10/1993 | POB 7958, Ram Shah Path, Ktm. | 4425864, 4426984 4430153, 4250427 | 4430109, 4241696 |
| 5 | Annapurna Finance Company Ltd. | 22/09/1994 | POB 288, Chipledhunga, Pokhara - 4 E-mail : anapurna@afc.mos.com.np | 061-522671, 524556 | 525797 |
| 6 | Kathmandu Finance Ltd. | 13/07/1995 | POB 5090, New Plaza, Putlisadak, Ktm. | 4430506, 4430527 | |
| 7 | Peoples Finance Ltd. | 07/08/1995 | POB 9416, K. K. M. Building, Tripureswor, Ktm. E-mail : finance@peoples.Wlink.com.np | 4255829, 4262405, 4252178 | 4260951 |
| 8 | Union Finance Co. Ltd. Promoter's Share Ordinary Share | 27/11/1995 16/07/2002 | POB 9263, Kathmandu Plaza, X Block, Third Floor, Kamaladi, Ktm. E-mail : union@unlimit.com.np | 4240779, 4240813, 4231512 | 4246551 |
| 9 | Citizen Investment Trust | 26/12/1995 | POB 5823, Putalisadak, Ktm. | 4228759, 4240598 | 4240645 |
| 10 | Nepal Abas Bikash Bitta Co. Ltd. | 01/05/1996 | POB 5624, Naya Baneshwor, Ktm. | 4780259, 4782753 | 4782753 |
| 11 | HISEF Finance Ltd. | 18/06/1996 | POB 8857, Hattisar, Kantipath, Ktm. E-mail : hisef@Wlink.com.np | 4444739, 4445200 | 4444743 |
| 12 | Narayani Finance Ltd. | 25/06/1996 | City Office : POB 4861, Baluwatar, Ktm. Central Office : POB 03, Sahid Chowk, Narayanghat, Chitwan E-mail : narayani@nafil.mos.com.np | 4422554 056-520313, 520345 | 4426690 522230 |
| 13 | Ace Finance Co. Ltd. | 20/11/1996 | POB 13383, Kantipath, Ktm E-mail : ace@mos.com.np | 4249396, 4249388 4266101, 4266102 | 4249477 |

| <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 | Yeti Finance Co. Ltd. | 23/01/1997 | POB 35,Main Road, Hetauda, Nepal Contact Office: Teku, Ktm. | 057-520822, 521842 4240711, 4226423 | 521842 |
| 15 | Gorkha Finance Co. Ltd. Promoter's Share Ordinary Share | 19/02/1997 27/02/2003 | POB 10951, Siddhi Bhowan Kantipath, Ktm. | 4222508, 4220337-38 445442 | 4258239 4445442 |
| 16 | Shamjana Finance Co. Ltd. | 28/03/1997 | City Office : POB 10457 Ward No. 30 Kamalachhi , Ktm. Head Office : Banepa, Kavre | 4231051 011-661207 | 4231050 |
| 17 | Universal Finance Ltd. | 10/04/1997 | POB 12396, Siddhi Bhavan, Kantipath, Kathmandu. | 4230234, 4240998, 4226002 | 4245895 |
| 18 | Nepal Housing & Merchant Finance Ltd. | 08/08/1997 | POB 10609, Batule ghar, Dillibazar, Ktm. E-mail : nhmf@ccsl.com.np | 4430528, 4430838, 4436182 | 4436183 |
| 19 | General Finance Ltd. | 20/04/1998 | Central Office: POB 20258 Chabahil, Ktm. Branch Office: New Road (Ranjana Galli), Ktm. | 4484753, 4484754 4258880 | 4484753 |
| 20 | Mahalaxmi Finance Ltd. | 31/08/1998 | POB 65, Alikiiya Road, Birgunj | 051-523271, 529143 | 524340 |
| 21 | Lalitpur Finance Co. Ltd. | 08/10/1998 | GPO 8975, EPC 585, Lagankhel, Lalitpur Email: lalitpur@fc1Wlink.com.np | 5536598, 5523850 | 5531916 |
| 22 | Goodwill Finance Co. Ltd. | 22/12/1998 | POB 8867 Dillibazar, Ktm. Email: goodwill@FinanceWlink.com.np | 4422290, 4422878 | 4416052 |
| 23 | Pashchimanchal Finance Co. Ltd. | 20/05/1999 | POB 11, Butwal, Rupandehi | 071-541609, 543924 | 541924 |
| 24 | Pokhara Finance Co. Ltd. | 02/09/1999 | POB;470, Gairapatan, Pokhara Email: :pfl@ Pofil.mos.com.np | 061-524942, 524975 531145 | 061- 531610 |
| 25 | Lumbini Finance & Leasing Co. Ltd. | 08/01/2001 | POB 11503, Tridavi Marga, Thamel, Ktm. | 4423443, 4423445 | 4425655 |
| 26 | Siddhartha Finance Ltd. | 20/06/2001 | Siddhartha Nagar, Bhairahwa Contact Office: Ramshahpath, Ktm. Email: sfil@mos.com.np | 071-521478, 4442968 | 523272 |
| 27 | Nepal Merchant Banking & Finance Ltd. | 20/06/2001 | POB 11543, I.J. Plaza, Darbarmarg, Ktm. Email: nmb@Wlink.com.np | 4246160 | 4246156 |
| 28 | Alpic Everest Finance Ltd. | 12/10/2001 | POB 12034, Aradhana Complex, Bagbazar, Ktm. Email: alpic@info.com.np | 4241605, 4228470 | 4241605 |
| 29 | Nepal Bangladesh Finance & Leasing Co. Ltd. | 12/10/2001 | Head Off: Main Road, Biratnagar, Liaison Off: POB 21754, New Banashwor, Ktm. | 021-530903, 530972 4490195, 4490770 | 521851 |
| 30 | International Leasing & Finance Co. Ltd. | 26/11/2002 | POB 8975, Naya Baneshwor, Ktm. | 4480067, 4481010, 4481011 | 4482267 |
| 31 | United Finance Ltd. | 26/11/2002 | POB 12311, I.J.Plaza, Durbar marg, Ktm. Email: ufl@mos.com.np | 4241648, 4241649 | 4241645 |

| <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> |
|---------------------------------|--|---------------------|--|---|---------------------|
| 32 | Shree Investment & Finance Co. Ltd. | 14/02/2003 | POB 10717, Dillibazar Ktm. Email: shreefin@finance.mos.com.np | 4421779, 4422038, 4426146, 4415344 | 4421779 |
| 33 | Central Finance Co. Ltd. | 18/03/2003 | POB 7062, Kupondol, Lalitpur Email: central@ntc.net.np | 5522289, 5536420, 5544517 | 5523526 |
| 34 | Nepal Srilanka Merchant Bank Ltd. | 24/04/2003 | POB 12248, N.S.L.B Building, Kamaladi, Kth. | 4440300, 4440824, 4441200, 4441198 | 441034 |
| 35 | Premier Finance Co. Ltd. | 28/05/2003 | POB 13471, Manbhawon, W. No.5, Lalitpur | 5521402, 5521223 | 5550412 |
| 36 | Navadurga Finance Co. Ltd. | 05/08/2003 | POB.25, Itachha, Bhaktapur. Email: mafaco@infoclub.com.np | 6612999, 6614699 | 6611999 |
| 37 | Butwal Finance Ltd. | 30/12/2003 | POB.25, Amarpath 7, Butwal, Rupandahi. Email: butwalfin@bcc.com.np | 071-44288, 44888 | 48711 |
| 38 | Janaki Finance Co. Ltd. | 30/12/2003 | POB.30, Bhanuchok, Janakpurdham, Dhanusha | 041-21586, 23339 | 23340 |
| 39 | Standard Finance Ltd. | 02/03/2004 | POB.8973 NCP.164, Ramsahapath, Kathmandu | 4244504, 4240004 | 4253368 |
| 40 | Om Finance Co. Ltd. | 02/03/2004 | POB.538, Newroad, Pokhara. | 061-32600, 32700 | 32800 |
| 41 | Cosmic Merchant Banking & Finance Ltd. | 02/05/2004 | POB.21507, Lal durbar, Kathmandu Email: cmbfl@wlink.com.np | 4222154, 4223178 | 4232678 |
| <i>Insurance Company</i> | | | | | |
| 1 | Rastriya Beema Sansthan | 08/11/1984 | POB 527, Ramsaha Path, Ktm. E-mail : ema@Wlink.com.np | 4262520 | 4262610 |
| 2 | Nepal Insurance Co. Ltd. | 08/11/1984 | POB 3623, NIC Building, Kamaladi, Ktm. E-mail : nic@wlink.com.np | 4221353, 4245565/68 | 4225446 |
| 3 | National Life & General Insurance Co. Ltd. | 20/12/1988 | POB 4332, Lazimpat, Ktm. | 4412625, 4416556, 4418113, 4426002 | 4416427 |
| 4 | Himalayan General Insurance Co. Ltd. | 26/01/1994 | POB 148, Darbar Marg, Ktm. E-mail : ktm@hgi.com.np | 4231788, 4231581 | 4223906, 4226604 |
| 5 | United Insurance Co.(Nepal) Ltd. | 01/08/1994 | POB 9075, I.J. Plaza, Darbar Marg, Tindhara Pathashala, Ktm. E-mail : uic@dmarg.mos.com.np | 4230958, 4240957, 4246686, 4220492 | 4246687 |
| 6 | Everest Insurance Co. Ltd. | 03/04/1995 | POB 10675, Siddhi Bhawan, Kantipath, Ktm. E-mail : eveinsco@mos.com.np | 4240363, 4243631, 4255679, 4255680 | 4240083 |
| 7 | Premier Insurance Co. Ltd. | 03/05/1995 | POB 9183, Ram Rukmani Sadan, Kamaladi, Ramsah Path, Ktm. E-mail : premier@picl.com.np | 4417765, 4420549, 4420659 | 4420554 |
| 8 | Neco Insurance Co. Ltd. | 30/03/1998 | POB 12271, Hattisar, Laldarbar, Ktm. E-mail : info@necoins.mos.com.np | 4427354, 4427355 | 4418761 |

| <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> |
|--|--|--------------------------|--|---------------------------------|---------------------|
| 9 | Alliance Insurance Co. Ltd. | 14/04/2000 | City Off Kings way, Ktm. Redg Off. POB 10811. Sitapaila, Ring Road. Email: SK@aicwlink.com.np | 4222836, 4253166 4242484 | 4241411 |
| 10 | Sagarmatha Insurance Co. Ltd. | 15/03/2001 | POB 12211, Kathmandu Plaza, Kamaladi, Email: sagarmatha@insuranceWlink.com.np | 4240896, 4241245, 4247941 | 4247947 |
| 11 | N.B. Insurance Co. Ltd. | 13/04/2001 | Bagbazar, Ktm. | 4418862 | |
| 12 | Nepal Life Insurance Co. Ltd. | 22/01/2003 | Heritage Plaza, Kamaladi, Kathmancu. Email: nlic@mos.com.np | 4223440, 4241212, 4223189 | 4240143 |
| 13 | Life Insurance Corporation (Nepal) Ltd. | 21/03/2003 | POB 21905, Kathmandu Plaza, Kamaladi, Ktm. Email: lic@licnepal.com | 4229688 | 4229689 |
| <i>Hotel</i> | | | | | |
| 1 | Yak & Yeti Hotel Ltd. Ordinary Share Preference Share | 22/10/1984 11/04/1994 | POB 1016, Lal Darbar, Darbar Marg, Ktm. E-mail : businesscentre@yakandyeti.com | 4248999, 4240520 | 4227782 |
| 2 | Soaltee Hotel Ltd. | 07/02/1993 | POB 3800, Tahachal, Ktm. E-mail : shl@shicp.com.np | 4273999 | 4272206 |
| 3 | Taragaon Regency Hotels Ltd. Ordinary & Preference Share (Promoter) Ordinary & Preference Share (Public) | 13/10/1998 18/11/1999 | POB 9604, Boudha, Ktm. | 4491234 | 4470409, 4481786 |
| 4 | Oriental Hotels Ltd. | 21/08/2001 | POB 2269, Lazimpat, Ktm. | 4411818, 4423888 | 4411720 |
| <i>Manufacturing and Processing Company</i> | | | | | |
| 1 | Nepal Battery Co. Ltd. | 21/06/1984 | POB 3194, BID, Balaju, Ktm. E-mail : eveready@mos.com.np | 4350909, 4350954 | 4350913 |
| 2 | The Juddha Match Factory (Biratnagar) Ltd. | 23/07/1985 | Office : Rainbasera, Gangapath, Ktm. Fact.: Rani, Mills Area, Biratnagar, Morang | 4221574 | |
| 3 | Morang Sugar Mills Ltd. | 01/10/1985 | Head Office: POB 33, Rani, Mills Area, Biratnagar-20 Branch Office: POB 483, Salt Trading Corporation Ltd. Building Kalimati, Ktm.-13 | 021-522733 524792 4271014 | 526517 4271704 |
| 4 | Nepal Plywood & Bobbin Co. Ltd. | 30/10/1985 | Office : Rainbasera, Gangapath, Ktm. Head Office: Purniya, Biratnagar, Morang | 4221574, 021-522776 | |
| 5 | Himal Cement Co. Ltd. | 28/07/1986 | POB 321, Chovar, Ktm. | 4331761-4, 4330958 | |
| 6 | Bottlers Nepal Ltd. | 05/11/1986 | POB 2253, BID Balaju, Ktm. | 4350602, 4351871 | 4350227 |
| 7 | Nepal Lube Oil Ltd. | 14/12/1986 | Corporate Off : POB 1916, Chaudhari Tower, Jhamishikhel, Lalitpur. Fact.: Amlekhgunj, Bara E-mail : cg.gulf@mos.com.np | 5545891-95 053-529104 | 4244763 529104 |

| <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> |
|-------------|---|--------------------------|--|--|---------------------------------|
| 8 | Biratnagar Jute Mills Ltd. | 14/12/1986 | Office : Dillibazar, Ktm. Fact. : Mills Area, Biratnagar - 20, Morang | 4423246 021-525058, 523243, 523246-48 | 530242 |
| 9 | Nepal Banaspati Ghee Udyog Ltd. | 05/06/1988 | City Office: POB 483, Kalimati, Ktm. Fact. : POB 8, HID, Hetauda, Narayani Zone E-mail : santintd@Wlink.com.np | 4271270, 4271014 057-520369, 520660, 520752, 520753 | 4271704 520751 |
| 10 | Sri Raghupati Jute Mills Ltd. | 17/06/1988 | Head Office: POB 22, Golchha House, Main Road, Biratnagar Fact.: POB 114, Mills Area,Rani, Biratnagar E-mail : raghujm@ccls.com.np | 021-530316 021-524896 | 524809 |
| 11 | Butwal Dhago Karkhana Ltd. | 14/11/1988 | City Office: POB 3550, Anamnagar, Ktm. Head Office: POB 37, Ramnagar, Butwal | 4251295, 4252537 071-540963 | 4251293 540308 |
| 12 | Gorakhkali Rubber Udyog Ltd. | 08/03/1991 | Office: POB 1700, Kalimati, Ktm. Fact.: Majuba, Deurali, Gorkha E-mail : gral@wlink.com.np | 4271102, 4274537 065-540069 | 4270367 540080 |
| 13 | Jyoti Spinning Mills Ltd. Ordinary Share Preference Share | 27/09/1991 27/09/1991 | GPO Box 133, Jyoti Bhawan, Kantipath, Ktm. Fact. Jyoti Firm, POB: 1, Parwanipur, Birgunj E-mail : jsml@jyoti.mos.com.np | 4227517, 4225490 051-539405/7/8 | 4224720, 4226314 539409 |
| 14 | Bottlers Nepal (Terai) Ltd. | 07/11/1991 | Office: POB 2253 BID Balaju, Ktm.. Fact: POB: 20, Bharatpur-9, Chitwan | 4350602 056-520416, 520031 | 4350227 520316 |
| 15 | Arun Vanaspati Udyog Ltd. | 16/12/1991 | 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@ccls.com.np E-mail : golcha@ccls.com.np | 4250001, 4221101 025-540049-51 021-525310, 525081 | 4224823 524395 524395 |
| 16 | Sayapatri Colour Lab. Co. Ltd. | 03/09/1992 | Ward No. 1, Jamal, Ktm. | 4227692 | |
| 17 | Harisiddhi Brick & Tiles Factory Ltd. | 05/05/1994 | City Office : POB 476, Kamaladi, Ktm. Fact. : Harisiddhi, Lalitpur E-mail : nbgroup@mos.com.np | 4241344, 4248327 4222637, 4240698 5521451, 5521178 | 4240665 5522776 |
| 18 | Nepal Lever Ltd. | 22/09/1994 | Corporate Off: POB 7765 Heritage Plaza, Ktm. Fact.: POB 11, Hetauda, Makawanpur E-mail : nilktm@mos.com.np | 4253351, 4269218 057-521632, 521958 | 4254097 520655 |

| <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> |
|------------------------|---|--------------------------|--|--|--------------------|
| 19 | Khadhya Udyog Ltd. | 25/11/1994 | City Office :POB 483, Kalimati, Ktm. Fact : POB 6, Hetauda Industrial District E-mail : noonkath@mos.com.np | 4271395 057-520127, 520315 | 4271704 520276 |
| 20 | Birat Shoe Ltd. Ordinary Share Preference Share | 25/10/1994 25/10/1994 | Head Office : POB 1887, Dillibazar, Ktm. Fact.: Budhanilkantha, Ktm. | 4418429 4371666, 4290666 | 4414859 |
| 21 | Nepal Med Ltd. | 17/01/1995 | POB 6943, Ktm. | 4214083 | |
| 22 | Ace Laboratories (Nepal) Ltd. | 21/03/1995 | City Office : POB 4250, Dhakhwa Building (First Floor), Dharmapath, Ktm. Fact. : POB 110, Simara, Bara, Birgunj E-mail : acelabnp@Wlink.com.np | 4252908, 4241501, 4230681 4230681 053-520229 | 4222911 |
| 23 | Himgiri Textile Industries Ltd. | 28/05/1995 | Registered Office: Ward No. 7, Birgunj Cont. Off. POB.2441, Ranjana Galli, Ktm. Birgunj Office: POB, 32, Adersa agar,Birgunj Fact.: Parwanipur, Parsa | 4250015, 4230429 4421184, 4421884 051-522799 | 4225406 4224484 |
| 24 | Shree Bhrikuti Pulp and Paper Nepal Ltd. | 01/06/1997 | Head Office: POB 3259, Naya Baneswor, Ktm. Fact.: Gaidakot, Nawalparasi Email: bhrikuti@mos.com.np | 4486155, 4471030 056-520230, 520266 | 4472443 521176 |
| 25 | Fleur Himalayan Ltd. | 03/09/1997 | Mkt. Office : Gha -3, Pulchowk, Latitpur Fact.: Adarsha Nagar, Birgunj E-mail : nplmkt@Wlink.com.np | 5529436, 5529059 051-521097 | 5529434 522084 |
| 26 | Leatherage Bansbari Tannery and Shoe Factory Ltd. | 01/04/1998 | Fact.: Ward No. 5, Khirindpur, Chanauta, Krishna Nagar | 076-520166 | 520166 |
| 27 | Sri Ram Sugar Mills Ltd. Ordinary Share Debenture | 18/04/1999 18/04/1999 | Registered Off:Golchha House,Ganabahal,Ktm. Fact:Mahammadpur (Garuda), Rautahat District E-mail : sriram@golchha.com | 4250001, 4250004 055-529506 | 4249723 529504 |
| 28 | Nepal Bitumen and Barrel Udhyog Ltd. | 10/05/1999 | City Office: POB 4508, Pulchok, Lalitpur Fact.: Amlekhgunj, Bara E-mail: bitumin@panchakanya.mos.com.np | 5536311, 5520343 053- 529103 | 5536815 529109 |
| 29 | Himalayan Distillery Ltd. | 21/03/2003 | POB 423 Jawalakhel, Lalitpur Email: jd@ecomail.com.np | 5522010, 5538239, 5538875 | 5538236 |
| Trading Company | | | | | |
| 1 | Bishal Bazar Co. Ltd. | 08/11/1984 | POB 4565, Sukrapath, Ktm. | 4242185, 4222423 4228343 | 4248893 |

| <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> |
|--------------|--|--------------------------|---|---------------------------------|---------------------|
| 2 | Salt Trading Corporation Ltd. | 08/11/1984 | POB 483, Kalimati, Ktm. Email: noonkath@mos.com.np saltkath@mos.com.np | 4270315, 4271208, 4271014 | 4271704, 4271395 |
| 3 | Nepal United Co. Ltd. | 15/06/1988 | POB 1389, 6/286, Ganabahal, Ktm. | 4249453, 4250009 | 4249980 |
| 4 | Plastic Trading Co. Ltd. | 25/07/1989 | POB 4871, Teku, Ktm. | 4262258 | |
| 5 | Nepal Byapar Co. (Koshi) Ltd. | 14/09/1989 | POB 135, Ward No. 17, Biratnagar, Morang | 021-525119, 525289 | |
| 6 | Nepal Byapar Bikash Co. Ltd. | 04/09/1990 | POB 2714, Kuleshwor, Ktm. | 4283007, 4224514 | 4226134 |
| 7 | Nepal Trading Ltd. | 18/12/1992 | POB 7146, Chakra Path, Sanepa, Lalitpur | 5522941 | 5535730 |
| 8 | Nepal Welfare Company Ltd. | 12/12/1994 | POB 9478, Maitidevi, Ktm. | 4429406 | |
| Other | | | | | |
| 1 | National Productivity & Economic Development Centre Ltd. | 18/06/1989 | POB 1318, BID Balaju, Ktm. E-mail : npedc@Wlink.com.np | 4350522, 4350566 4350567 | 4350530 |
| 2 | Necon Air Ltd. Ordinary Share Preference Share | 09/05/1994 09/05/1994 | POB 10038, Neco Complex Building 3 rd Floor, Baneswor, Ktm. E-mail : info@necon.mos.com.np | 4473860 | 4471679 |
| 3 | Nepal Film Development Co. Ltd. | 15/07/1996 | GPO 549, Balaju Industrial Estate, Ktm. E-mail : nfdc@complex.mos.com.np | 4350113, 4350947 | 4350511 |
| 4 | National Hydro Power Co. Ltd. | 02/07/2003 | POB 6518, Kathmandu Email: nspc@info.com.np | 4437359, 4437362 | 4410411 |

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> |
|---------------|--|-------------------------------------|---------------------|----------------|
| Broker | | | | |
| 1 | Kumari Securities (P) Ltd. | POB 20189, Dillibazar, Ktm. | 4418036 | 4418369 |
| 2 | Arun Securities (P) Ltd. | POB 8136, Putlisadak, Ktm. | 4419051 | 4420572 |
| 3 | Opel Securities (P) Ltd. | Baluwatar, Ktm. | 4423509 | |
| 4 | Market Securities and Exchange Co. (P) Ltd. | Dharmapath, Ktm. | 4248973 | |
| 5 | Agrawal Securities (P) Ltd. | POB: 4760 Sankardev Marg, Ktm | 4430780, 229739 | |
| 6 | Aashutosh Brokerage & Securities (P) Ltd. | Khichapokhari, Ktm. | 4227510, 4220276 | 4240162 |
| 7 | Pragyan Securities (P) Ltd. | POB: 10087, Gaushala, Ktm. | 4491683, 4498234 | |
| 8 | Malla and Malla Stock Broking Co. (P) Ltd. | Dillibazar, Ktm. | 4414263, 4416050 | |
| 9 | Om Securities and Allied Services (P) Ltd. | POB 2654, New Plaza, Ktm. | 4431386, 4442122 | |
| 10 | Annapurna Securities Service (P) Ltd. | Putalisadak, Ktm. | 4419051 | 4420572 |
| 11 | Nepal Stock House (P) Ltd. | POB: 8978 Anamnagar, Ktm. | 4245012 | 4255732 |
| 12 | Nikhil Securities (P) Ltd. | Anamnagar, W.No. 32, Ktm. | 4770726 | |
| 13 | Primo Securities (P) Ltd. | POB 748, Putalisadak, Ktm. | 4230787 | 4226507 |
| 14 | Khandelwal Stock Broking Co. (P) Ltd. | Tahachal, Ktm. | 4284943 | |
| 15 | Sagarmatha Securities (P) Ltd. | Kha 2/450, Putalisadak, Ktm. | 4242548 | |
| 16 | Nepal Investment & Securities Trading (P) Ltd. | Maitidevi, Ktm. | 4413201, 4495450 | |
| 17 | Sipla Securities (P) Ltd. | 6/50 New Road, Ktm. | 4255782 | 4255580 |
| 18 | Midas Stock Broking Co. (P) Ltd. | W.No. 13, Kalimati, Ktm. | 4414263, 4416050 | |
| 19 | Siprabi Securities (P) Ltd. | POB 5705, Kupondol, Ktm. | 5530701 | |
| 20 | Shiva Shakti Stock & Investment (P) Ltd. | POB 1979, Kamaladi, Ktm. | 4221123 | 4223145 |
| 21 | Sweta Securities (P) Ltd. | RadhaKuti Arcade, Putalisadak, Ktm. | 4444791 | |
| 22 | Asian Securities Ltd. | Kha2- 691, Adwait Marg, Ktm. | 4240609, 4258160 | 4241817 |
| 23 | Sri Krishna Securities Ltd. | Dhakhwa Building, New Road Ktm. | 4224262, 4222209 | 4224262 |
| 24 | Trishul Securities & Investment Ltd. | POB 1874, Putalisadak, Ktm. | 4440708 | 4438197 |

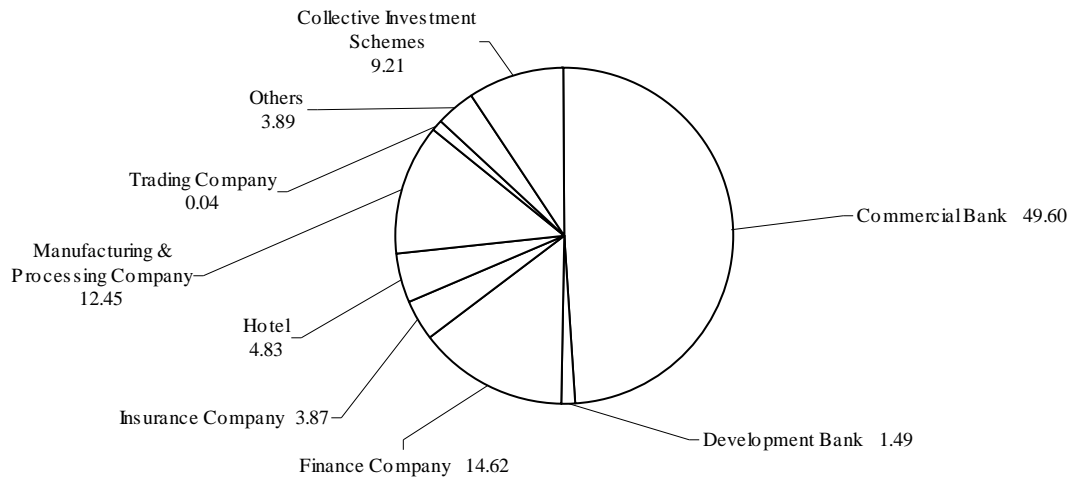
| <i>S. N.</i> | <i>Name of Securities Businessperson</i> | <i>Address</i> | <i>Tel. No.</i> | <i>Fax No.</i> |
|---|--|-------------------------------|------------------------|---------------------|
| 25 | Yeti Securities Co. Ltd. | Putalisadak, Ktm. | 4493195 | 4266422, 4266422 |
| 26 | J.F. Securities (P) Ltd. | POB 20946, Putalisadak, Ktm. | 4231339 | |
| 27 | Premier Securities Co. Ltd. | POB: 11185, Ramshahpath, Ktm. | 4231339 | 4266422 |
| <i>Issue Manager</i> | | | | |
| 28 | National Finance Co. Ltd. (NFC) | Pako, New Road, Ktm. | 4228380, 4242302 | 4222920 |
| 29 | Ace Finance Co. Ltd. (AFCL) | Kanti Path, Ktm. | 4249396/88, 4266101 | 4249477 |
| 30 | NIDC Capital Markets Ltd. (NCML) | Kamal Pokhari, Ktm. | 4423219/398 | 4423401 |
| 31 | Citizen Investment Trust (CIT) | Putalisadak, Ktm. | 4228759, 4240598 | 4240645 |
| 32 | Nepal Merchant Banking & Finance Ltd (NMB) | Darbar Marg, Ktm. | 4246160 | 4246156 |
| 33 | Nepal Finance & Saving Co. Ltd. | Kamaladi, Ktm. | 4220031, 4247020 | 4241237 |
| 34 | Nepal Share Markets & Finance Ltd. | Putalisadak , Ktm. | 4252332, 4267597 | 4430109 |
| <i>Issue Manager and Securities Dealer</i> | | | | |
| 35 | Nepal Sri Lanka Merchant Bank Ltd. (NSLMB) | Kamaladi, Ktm. | 4440824/300 | |
| 36 | United Finance Ltd. (UFL) | Darbar Marg, Ktm. | 4241648/49 | 4241645 |

MARKET SCENARIO

Total Public Issue Approval

(Fiscal Year 1993/94 – 2003/04)

Sectorwise



Instrumentwise

