

An Unofficial Translation



Securities Board of Nepal

Annual Report
Fiscal Year 2015/16

2016 November

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Board Member Of Securities Board of Nepal



Dr Rewat Bahadur Karki
Chairman



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Member
Joint-secretary
Government of Nepal,
Ministry of Finance



Mr Dilli Raj Ghimire
Member
Joint -secretary
Government of Nepal,
Ministry of Law, Justice,
And Parliamentary Affairs



Mr Nara Bahadur Thapa
Member
Executive Director
Nepal Rastra Bank



Mr Prakash Jung Thapa
Member
Vice-chairman
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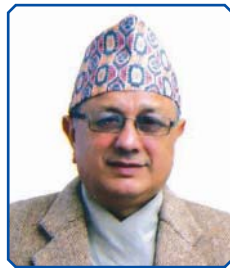


Mr Dinesh Thapa
Member
Vice president
Federation of Nepalese Chamber
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Mr Nil Bahadur Sharu Magar
Expert Member

Management Of Securities Board of Nepal



Dr Rewat Bahadur Karki
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Mr Niraj Giri
Executive Director



Mr Muktinath Shrestha
Director



Mr Binaya Dev Acharya
Director



Dr Nabaraj Adhikari
Director



Mr Krishna Raj Pokharel
Director

Chairman's Statement

The annual report of Securities Board of Nepal (SEBON) for the fiscal year 2015/16 has been presented as per Section 26 of Securities Act, 2006. The macroeconomic condition and securities market of the world and Nepal, activities of securities businesspersons' and listed companies, securities market development initiatives, market reforms and activities of SEBON during fiscal year 2015/16 has been reviewed in this annual report.

The economy continued to be affected by the impact of devastating earthquake of 2015 April in fiscal year 2015-16. The overall economic activities were adversely affected by problem in international trade due to disturbance on southern border. Fiscal year 2015-16 witnessed significant slowdown in economic growth due to the adversity of low level of economic activities, low capital expenditure by government and low investment opportunities for private sector. Despite these poor economic parameters, various reforms initiated by SEBON in the primary and secondary market boosted the investors' confidence towards securities market. As a result, securities market as a whole witnessed overwhelming growth in this fiscal year.

SEBON has undertaken various reforms and development activities in last one year. Full-fledged dematerialised trading system since January 2016, access of investors in market depth, reforming securities market on the basis of the inputs received from the stakeholders in interaction programmes, addressing the factual complaints received from investors through hotline are some of the reforms initiatives taken by SEBON in fiscal year 2015/16. With this, the secondary market has entered in the stage of modernisation since January 2016. Dismal investment alternatives in the economy; the low interest rate due to high liquidity in the economy, banks and financial institutions publicity of paid up capital increment plan are the reasons attributed to overwhelming public participation in primary and secondary markets and expansion of whole securities markets. The action of introducing Citizen Investment Trust as a market maker/securities dealer has also moved forward based on the report received from the technical study.

In the review year SEBON became associate member of International Organisation of Securities Commissions (IOSCO) in July 2016 in the process of entering the main stream of international securities markets. With the coordination and initiation of SEBON, CDS and Clearing Limited became 92nd member of Association of National Numbering Agencies (ANNA). Over-the-counter (OTC) market became effective with the remarkable increase in transaction due to the information provided by SEBON to the Office of the Company Registrar for the scope of making transaction of the shares of unlisted and delisted public limited companies along with giving directives to NEPSE for systematising OTC market and also reducing cost of transaction.

SEBON recruited assistant to high level employees in this fiscal year in order to carry out effectively in order to strengthen institutional and regulatory capability. In the fiscal year 2015/16 SEBON issued different directives for effective monitoring and supervision to NEPSE, making central depository services countrywide, improving in securities businesspersons' services, increasing investors access in market and services, managing service charter, depositing the non-allotted amount of public issue to the applicant's bank account, depositing the dividends of listed companies in the bank account of shareholders, depositing the bonus share and rights shares in the demat account of shareholders, making the auction process of unsubscribed right shares fair and transparent and providing a proper and sufficient information relating to right offerings to the investors which were accomplished as per the directives of SEBON. SEBON has moved forward to reform market by directing NEPSE to increase, to improve the transaction software immediately and to establish auction market. Similarly, SEBON has directed

CDSC to provide central depository service nationwide, to add clearing bank and to establish settlement guarantee fund.

SEBON has moved forward giving priority to reform and development of securities market services and regulatory provisions considering positively the conducive environment in the review period due to the Government policy and programme of developing modern and credible capital market as an essential mechanism of economic development in order to attract domestic and international savings and investments and budgetary programmes by presenting long awaited commodity derivatives market bill in the parliament that can increase the scope of capital market and giving tax exemption of 15 percent to the industry and businesses established as public limited companies and listed their securities.

Finally, I would like to thank Government of Nepal, Ministry of Finance, Ministry of Law, Justice and Parliamentary Affairs, Office of the Company Registrar, Nepal Rastra Bank, Insurance Board, Institute of Chartered Accountants of Nepal, Federation of Nepalese Chambers of Commerce and Industry, Nepal Stock Exchange Ltd. and CDS and Clearing Ltd. for their support in the reform and development of securities market. Similarly, I would like to express my gratitude to governing board members of SEBON for their creative contribution to carry out securities market reform and development and I would also give special thanks to all employees of SEBON for their commitment and unrelenting efforts in order to carry out their responsibilities.

November 7, 2016

Dr Rewat Bahadur Karki

Chairman

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Part-I

Overview of Economic Condition

1.1 Global Economic Condition

According to the World Economic Outlook published by International Monetary fund (IMF) in April, 2016, global economy remained subdued as global production growth rate dropped to 3.1 percent in 2015 from 3.4 percent in 2014. The reason behind this nosedive growth was sluggishness in revival period of developed countries and decreased economic growth rate in emerging and developing economies. IMF has projected it to be improved marginally to reach 3.2 percent in 2016. According to the report, growth rate of advanced economies remained 1.9 percent in 2015 which is projected to be at the same rate in 2016 as well. Considering the growth rate of advanced economies, the economy of United States of America grew moderately by 2.4 percent in 2015 and is projected to grow at same rate in 2016. The European country's economy expanded by 1.6 percent in 2015 and is expected to grow by 1.5 percent in 2016. Emerging and developing economies of Europe experienced the growth rate of 3.5 percent in 2015 and projected to grow at same rate in 2016. Japanese economy confronted the meager growth rate of 0.5 percent in 2015 due to the reduction in private consumption demand and it is estimated to increase at same rate in 2016 as well. Russia and Brazil went through the economic catastrophe in the review period. China, key emerging economy, also suffered low growth rate than the previous year which is anticipated to be 6.5 percent growth in 2016. IMF predicts that emerging and developing economies that had grown by 4.0 percent in 2015 are likely to grow by 4.1 percent in 2016.

Economic growth rate of emerging and developing economies is estimated to be lower due to the reason of continued fall in petroleum products' prices of the oil exporting countries. Asian emerging markets and developing economies expanded by 6.6 percent in 2015 and is estimated to remain at the same rate in 2016 as well. Policy reform in Indian economy accelerated investments that raised the economy by 7.3 percent in 2015 and is predicted to increase in future. Similarly, the economic growth rate of ASEAN countries remained 4.7 percent in 2015 and is estimated to increase marginally in 2016 to reach 4.8 percent by IMF. Economic growth rate of SAARC countries, except Maldives and Nepal, increased in 2015 as compared to that of 2014. According to IMF projection, growth rate of all SAARC countries, except Nepal and Sri Lanka, is likely to rise in 2016. The global economic scenario is presented in Table-1.

Table-1 Global Economic Growth Rate

S.N.	Region	Year (A.D) <i>(Annual Percentage Rate)</i>			
		2013	2014	2015	2016 (Projection)
1	World Output	3.3	3.4	3.1	3.2
2	Developed Economies	1.2	1.8	1.9	1.9
3	Emerging and Developing Economies	4.9	4.6	4.0	4.1
4	Emerging and Developing Asian Countries	6.9	6.8	6.6	6.4
5	Middle East and North American Countries	2.1	2.6	2.3	2.9
6	Emerging and Developing European Countries	2.8	2.8	3.5	3.5

S.N.	Region	Year (A.D) <i>(Annual Percentage Rate)</i>			
		2013	2014	2015	2016 (Projection)
7	European Union Member Countries	0.3	1.4	2.0	1.8
8	America	1.5	2.4	2.4	2.4
9	Japan	1.4	0.0	0.5	0.5
10	China	7.7	7.3	6.9	6.5
11	South Asian Countries				
	Bangladesh	6.0	6.3	6.4	6.6
	Bhutan	4.9	6.4	7.7	8.4
	India	6.6	7.2	7.3	7.5
	Maldives	4.7	6.5	1.9	3.5
	Nepal	4.1	5.4	3.4	0.5
	Sri Lanka	3.4	4.5	5.2	5.0
	Pakistan	3.7	4.0	4.2	4.5
	Afghanistan	3.9	1.3	1.5	2.0

Source: World Economic Outlook, April 2016 and Economic Survey, 2015/16.

The inflation rate based on consumer price increased by 0.3 percent in 2015 which was 1.4 percent in 2014. The continuous drop in petroleum products prices is the main reason behind the low inflation of developed countries. Similarly, the inflation rate of developed countries was 4.7 in 2015 which is projected to be 4.5 percent in 2016. Among the South Asian countries, the inflation rate of Afghanistan is negative by 1.5 percent. Inflation of South Asian Countries is also affected by the events of other countries of the world. According to the IMF projections, price level of South Asian Countries, except Bhutan and Pakistan, is likely to increase in 2016 as compared to that of 2015. In overall, the world economy is likely to increase in the same rate this year as that of 2015.

1.2 Nepalese Macroeconomic Scenario

The condition of Nepalese economy weakened in the review year 2015/16. According to preliminary estimate of Central Bureau of Statistics (CBS), economic growth rate is estimated to be 0.77 percent in review period due to the reasons of effect of devastating earthquake of April/May 2015, negative effect in business and industry sector due to strikes and obstructions in the southern border and low pace of post-earthquake reconstruction. The growth rate was 2.32 percent in the fiscal year 2014/15.

In FY 2015/16, production of agriculture and forestry sectors is estimated to increase by mere 1.1 percent whereas non-agriculture sector is estimated to increase by 0.6 percent in the same period. Industrial sector among non-agriculture sector is estimated to drop by 6.3 percent in review year while service sector is estimated to rise by 2.7 percent. In review period, the growth rate of manufacturing industry is estimated to be decreased by 9.9 percent. The contribution of productive industries to GDP is estimated to be tapered at 5.5 percent in the review period in comparison to the previous year. The contribution of agriculture and industrial sectors to GDP in recent years is in declining trend and that of non-agriculture sector is in increasing trend. The scarcity of electricity and non-professional agricultural sector, less technology friendly and lack of abundance irrigation, lack of infrastructure and increase in cost of production are the main reasons behind the low pace of industrial sector as per expectation. The contribution of agriculture and non-agriculture sector to GDP is 31.7 percent and 68.3 percent respectively

in fiscal year 2015/16. Among non-agricultural sector, service sector is expanding comparatively more in recent years. From FY 2001/02 to FY 2005/06, average contribution of agricultural and non-agricultural sectors to GDP was 35.7 percent and 64.3 percent respectively. The production of hotel and restaurant sector is estimated to be dropped by 4.8 percent in the review period. However, growth of financial intermediary sector is estimated to be 3.3 percent against the growth rate of 2.9 percent in corresponding previous year.

The per capita income and ratio of gross domestic saving to GDP is estimated to be dropped as the growth rate of population exceeded the GDP growth rate whereas consumption to GDP ratio is estimated to rise during the same period. Similarly, ratio of gross fixed capital investment to GDP is estimated to increase as compared to previous year. In review period, rate of inflation increased to 9.9 percent against 7.2 percent in previous year. The reason behind high inflation rate is the effect of devastating earthquake, prolonged strikes and supply obstructions in the southern border area.

In review period, monetary and financial condition remained mixed. Broad money supply and narrow money supply expanded by 20 percent and 22 percent respectively. However, the growth rate of credit to private sector and deposit in financial sector marginally decreased in comparison to previous year and is estimated to be increased by 19 percent and 19.4 percent respectively against 19.4 and 20.1 percent in previous year. An increase in money supply reflects the increase in liquidity and lack of favourable investment environment.

Low activities in other economic sector, low interest rate and remarkable effort to reform and develop the securities market created an environment to attract savings of investor towards securities market resulting an increase of 78.74 percent in NEPSE index to reach to 1718.15 points at the end of review period. NEPSE index stood at 961.23 points at corresponding point of time of previous year. At the end of previous fiscal year, NEPSE index was 961.27 points with a decrease of 7.2 percent.

The condition of public finance sector is also weak in the review period as preceding fiscal year. The supply obstruction in southern border area, strikes and prolonged effect of devastating earthquake have caused drop growth rate of capital expenditure and revenue generation of Government. Tax revenue is estimated to be increased by 13.5 percent in FY 2015/16 against 13.7 percent in previous fiscal year and public expenditure is estimated to be increased by 32 percent as compared to 33 percent increment in previous fiscal year. The current expenditure and actual capital expenditure of fiscal year 2015/16 is estimated to be increased by 42.68 percent and 135.10 percent respectively as compared to that of previous fiscal year. As a result, it is estimated that the budget deficit shall upsurge by cent percent.

The status of Nepalese external sector remained mixed in review year. In review period, growth in export has been dropped by 13 percent as compared to drop of 7.3 percent in previous year due to strikes and blockade in border causing export to import ratio to decrease to 9.1 percent in the review period from 11 percent in the previous fiscal year. The increase in import has also been dropped and has increased by 2 percent only in the review period. This lead to decline in growth in trade deficit. The ratio of total trade deficit to GDP declined slightly in this year to 31.8 percent from 32.5 percent of previous year. The decrease in import and increase in remittance inflow in the review period caused current account balance and balance of payment increase by Rs. 33.60 billion and Rs. 16 billion respectively resulting capacity of foreign exchange reserve to cover the import of goods and services for 13.2 months while such reserve was able to cover the imports of goods and services for 11.2 months in previous fiscal year. The macroeconomic indicators of Nepalese economy is presented in Table-2.

Table-2 Macro-economic Condition of Nepalese Economy

Particulars	Unit	Fiscal Year		
		2013/14	2014/15	2015/16 P
1. Real Sector and Value				
Real GDP (At Basic Prices)	%	5.7	2.32	0.77
Agriculture	%	4.5	0.8	1.3
Industry	%	7.1	1.5	(6.3)
Service	%	6.2	3.6	2.7
Per Capita GDP	US dollar	725	762	752
Gross Consumption/GDP	%	88.10	91.20	94.70
Gross Domestic Saving/GDP	%	11.90	8.80	5.30
Gross National Saving/GDP	%	45.70	43.90	42.90
Gross Fixed Capital Formation/GDP	%	23.50	27.70	25.00
Consumer Price Index	%	9.10	7.20	9.90
2. Monetary and Fiscal Sector				
Narrow Money Supply (M ₁)	%	17.70	19.70	20.00
Broad Money Supply (M ₂)	%	19.10	19.90	22.00
Private Sector Credit	%	18.30	19.40	19.00
Total Deposit	%	19.90	20.10	19.40
Capital Market: NEPSE Index	%	99.20	(7.20)	78.74
3. Public Finance				
Revenues	%	20.50	13.70	13.50
Total Government Expenditures	%	11.40	33.00	32.00
Budget Deficit	Rs in Billion	3.87	8.32	23.15
Total Outstanding Debt	Rs in Billion	55.35	54.49	60.67
4. External Sector (Foreign Trade and Payment)				
Export (Goods)	%	17.40	(7.30)	(13)
Export/GDP	%	4.7	4.4	3.3
Import(Goods)	%	27.30	8.40	2.00
Import/GDP	%	36.40	36.50	35.10
Export/Import	%	12.90	11.00	9.10
Trade Deficit	%	29.70	10.80	3.80
Trade Deficit/ GDP	%	31.70	32.50	31.80
Terms of Trade	%	3.40	12.80	22.20
Current Account Balance	Rs in Billion	8.97	10.83	14.19
Balance of Payments	Rs in Billion	(12.71)	(14.5)	(16.1)
Capacity of reserves to cover import of goods and services	Months	10	11.2	13.2

*p= Projection

Source: Economic Survey, 2015/16, Ministry of Finance, Annual data published by Nepal Rastra Bank

Part-II

Securities Market

2.1 Global Securities Market

The downward trend of global securities markets since July 2015 continued till July 2016. The decline in securities market of Asia Pacific region contributed more for the indicator of global securities market to be negative. In review period, number of securities' transactions increased in the America, Europe, Middle East and African (EMEA) region. The regulatory strengthening, improvement in corporate governance and more emphasis given on investor education and awareness after the global financial crisis 2007-09 has boosted investor's confidence towards global securities markets.

NYSE Composite Index, benchmark index of America, touched to 10,785.51 points in July 2016, an increment of 6.33 percent (642.09 points), as compared to 10,143.42 points in December 2015. Similarly, FTSE 100, share index of 100 listed companies of London Stock Exchange, increased to 6,724.43 points in July 2016, an increment of 7.72 percent (482.11 points) as against 6,242.32 points in December 2015. However, Shanghai Composite Index of China decreased by 15.46 percent (547.18 points) and stood at 2,992 points in July 2016 which was at 3,539.86 points in December 2015. In the meantime, S&P BSE SENSEX, benchmark index of India increased to 28,051.86 points with a rise of 7.40 percent (1,934.32 points) which was 26,117.54 points in December 2015. The market capitalisation, turnover and number of shares traded of global securities market decreased by 1.2 percent, 12.6 percent and 17.3 percent respectively during first half of 2016.

According to the data published by World Federation of Exchanges (WFE) at the end of June 2016, world market capitalisation decreased by 9.4 percent and reached to USD 67.2 trillion whereas it was USD 74.2 trillion in June 2015. Asia-pacific region accounted for heavy fall on market capitalisation, i.e., USD 4 trillion in the review period. Market capitalisation of American securities market reached to USD 29.14 trillion which is 4.3 percent higher as compared to same period of previous year. The value of shares trading all over the world decreased by 24 percent and reached to USD 44.9 trillion in first half of 2016 which was USD 59.2 trillion in the same period of 2015. This decrement is attributed to the decline in trading of Asia- pacific region whose value of shares trading decreased by 47 percent alone in first half of 2016. American securities market witnessed a normal rise of 2.3 percent in turnover as compared to same period of previous year. Considering the first half of 2016, number of trade also decreased by 6.9 percent as compared to first half of 2015. Both the American and EMEA witnessed an increment in number of trades in July 2016 whereas the number of trades of Asia-pacific region dropped by 66 percent.

Total new listing in the first half of 2016 decreased by 48.90 percent as compared to the same period of 2015. During first six months of 2016, number of listed companies in America decreased by 2 percent whereas there was an increment of 3.2 percent in Asia-pacific region. In review period, number of listed companies in EMEA region decreased by 0.8 percent only. The estimated capital flow through the issue of securities in securities market was USD 40.11 billion during the review period which is a decrease of 64.40 percent as compared to the same period of previous year.

2.2 Nepalese Securities Market

Irrespective of slowdown in the global securities market, Nepalese securities market witnessed a remarkable growth during the review period as SEBON actively initiated the reform and development activities in the securities market. Major indicators of securities market recorded high growth in the review period as compared to previous year. Likewise, OTC market has become more organised which resulted an increase in number of transaction of securities of public companies not listed in NEPSE. The securities market has attained a significant growth with overwhelming participation of investors in both primary and secondary markets which is attributed to the reform and development initiatives undertaken by SEBON, excess liquidity and low interest rate in financial market, insufficient investment alternatives in the economy and capital increment plan disclosed by bank and financial institutions. The details of primary and secondary market are stated as under:

2.2.1 Primary Market

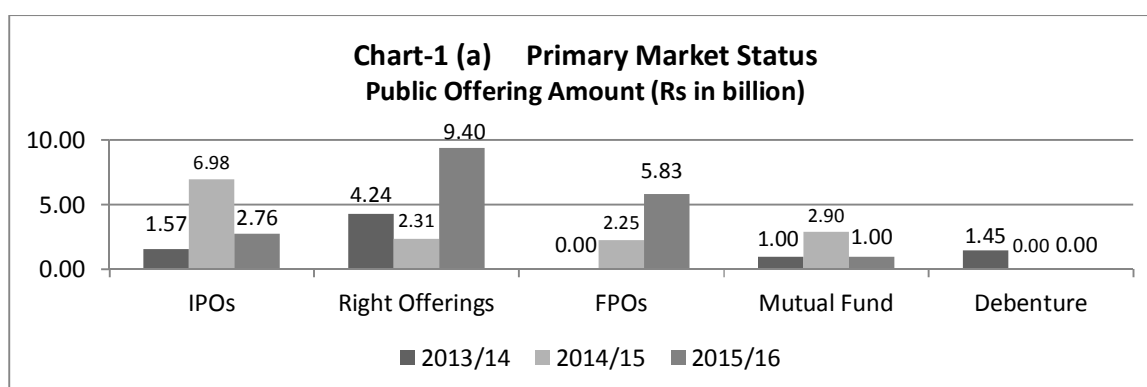
The status of primary market in fiscal year 2015/16 is mixed as compared to last three fiscal years. In review period, the number of issues increased by 14.58 percent and reached to 55 which was increased by 4.35 percent only in previous fiscal year. In terms of public issue amount, Rs. 18.99 billion capital was mobilised through public offering in review period which is 31.51 percent higher than previous fiscal year. Public offering amount increased by 74.82 percent in previous fiscal year as compared to fiscal year 2013/14. Analysing the public issue trend of last 3 years, it shows that listed companies have widely used right offerings for raising their capital. The detail of primary market is shown in Table 3 and Chart-1(a) and (b) as follows:

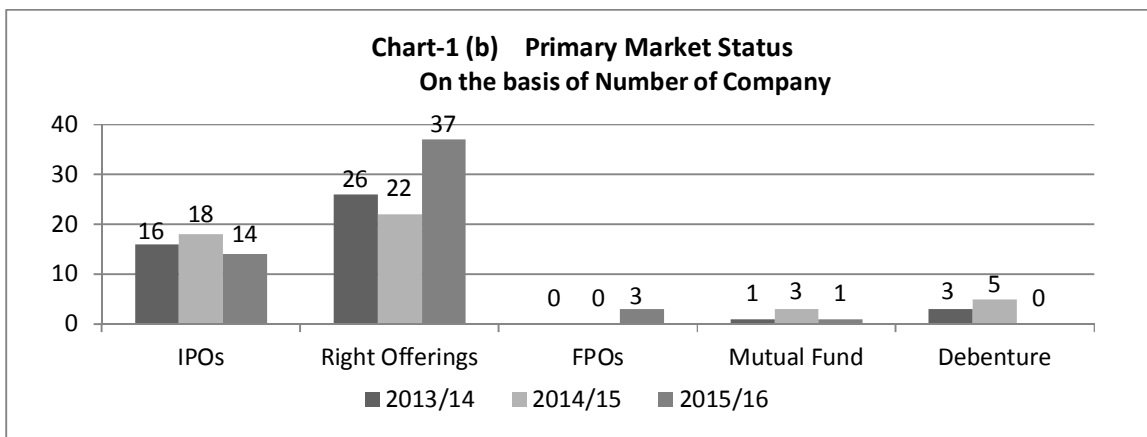
Table-3 Primary Market Status

(In Rs. billion)

Offering	Fiscal Year						Percentage Change			
	2013/14		2014/15		2015/16		In Number		In Amount	
	Number	Amount	Number	Amount	Number	Amount	2014/15	2015/16	2014/15	2015/16
IPOs	16	1.57	18	6.98	14	2.76	12.5	(22.22)	344.59	(60.46)
Right Offerings	26	4.24	22	2.31	37	9.40	(15.38)	68.18	(45.52)	306.93
FPOs	-	-	-	-	3	5.83	-	-	-	-
Mutual Fund	1	1	3	2.25	1	1	200	(66.67)	125	(55.55)
Debenture	3	1.45	5	2.90	-	-	66.67		100	
Total	46	8.26	48	14.44	55	18.99	4.35	14.58	74.82	31.51

Source: Securities Board of Nepal

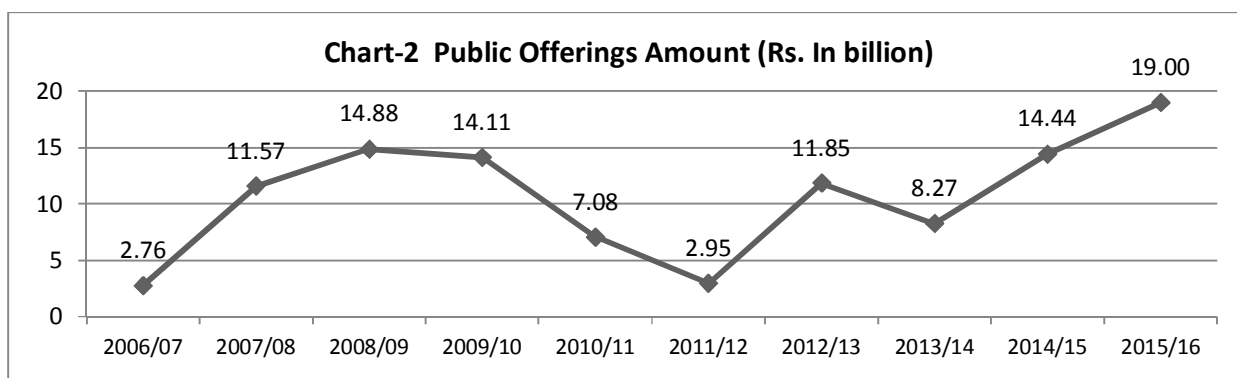




The condition of primary market has been improved in fiscal year 2015/16. During the review period, securities registration and prospectus approval, ordinary share issuance approval, right share registration and issuance and bonus share registration increased whereas promoter share and mutual fund scheme registration and issuance decreased.

Securities Registration and Prospectus Approval

In review period, 52 companies (55 public offerings) registered shares worth Rs. 19.00 billion through initial public offering, further public offering, right offering and mutual fund scheme. This amount is 31.51 percent higher than that of previous year. In previous year, 48 companies mobilised Rs. 14.44 billion capital through public offerings. The number of corporate bodies to mobilise capital through primary market increased by 14.58 percent in comparison to previous year. The detail of public offering amount of last 10 years is depicted in Chart-2 and public offering details of fiscal year 2015/16 is shown in annex-1.



Approval of Common Stock Issuance

SEBON approved issuance of common stock worth Rs. 8.59 billion of 14 public companies with one commercial bank, five development banks, one finance company, one insurance company and six hydropower companies in the review period. Similarly, a total of three with one commercial bank, one insurance company and one finance company got approval to issue further public offerings (FPOs). In review period, out of nine companies obtaining approval of issuance of shares to public, only six companies issued to the public. In same period, one mutual fund obtaining approval to issue

mutual fund scheme issued the scheme worth Rs. one billion. Likewise, four hydropower companies out of five obtaining approval for issuance of common stock to local people where hydropower project is in operation issued shares to public in the review period.

Registration and Issuance of Right Share

SEBON approved right share worth Rs. 9.40 billion of 37 listed companies with eight banks, 22 development banks, four finance companies, one hydropower company and two insurance companies in the review period. A total of 22 listed companies got approval for right shares worth Rs. 2.31 billion in previous fiscal year. The number of listed companies that got approval for right share issuance increased by 68.18 percent and the capital mobilisation through right share issuance increased by 306.93 percent (three folds) in the review period in comparison to previous year. Among the companies getting right shares approval, 23 listed companies issued the right shares to their existing shareholders during the review period. Most of the banks and financial institutions relied on right offering process to increase their paid up capital by the end of fiscal year 2016/17 as mandated by Nepal Rastra Bank-central bank of Nepal, through monetary policy. The detail of right offering of listed companies is presented in annex-2.

Registration of Promoter Shares

One public company registered promoter share of Rs. 80.8 million in the review period. In previous fiscal year 2014/15, 15 public companies registered promoter share of Rs. 6.66 billion. The detail of promoter share registration is presented in annex-3.

Registration of Bonus Share

A total of 118 listed companies with 22 commercial banks, 61 development banks, 18 finance companies, 13 insurance companies, one hydropower, two hotels and one trading company registered bonus share of Rs. 21.05 billion in the review period. In previous fiscal year, a total of 113 listed companies registered bonus share worth Rs. 15.22 billion. The detail of bonus share registration in the review period is presented in Annex-4.

Registration and issuance of mutual fund scheme

One mutual fund registered and issued mutual fund scheme of Rs. one billion during the review period. The detail of which is presented in annex-5.

2.2.2 Secondary Market

In review period, secondary market indicators like turnover, market capitalisation, market index and paid-up value of listed companies increased significantly which led to increase the overall secondary market. NEPSE index increased to 1718.15 points, a rise of 78.74 percent as compared to 961.23 points in previous fiscal year. Similarly, there is noteworthy rise of 150.96 percent in turnover, 133.35 percent in average daily turnover, and 89.10 percent in trading volume of shares. The number of trading days was 233 days in the review period and average daily turnover was Rs. 0.71 billion in the same period. Similarly, market capitalisation increased by 91.03 percent and reached to Rs. 18.90 billion. The ratio of turnover to market capitalisation stood at 8.67 percent while ratio of market capitalisation to GDP was 84.05 percent. However, ratio of market capitalisation to GDP was approx. one third (31.97 percent) based on floated shares. In fiscal year 2015/16, 15 new companies listed

their shares in NEPSE and number of listed companies reached to 229. In review period, 18 listed companies were merged and acquired by other listed companies that caused to decrease in number of listed companies by 1.29 percent as compared to 232 listed companies in previous year. The detail of secondary market is presented in table-4 below.

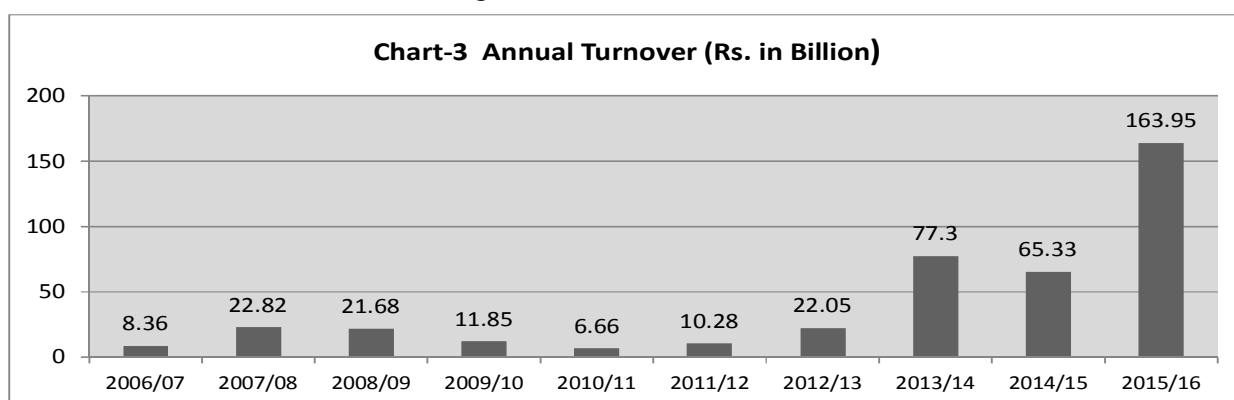
Table-4 Secondary Market Indicators

Indicators	Fiscal Year			% Change 2014/15	%Change 2015/16
	2013/14	2014/15	2015/16		
1. No. of Listed Companies	233	232	229	(0.43)	(1.29)
2. No. of Listed Securities (In Rs. billion)	1.6077	2.5531	3.6429	37.67	42.68
3. Annual Turnover (In Rs. billion)	77.30	65.33	163.95	(15.49)	150.96
4. Average Daily Turnover (In Rs. million)	0.3368	0.3029	0.7066	(10.07)	133.28
5. Trading Days	230	216	233	(6.09)	7.87
6. No. of Scripts Trade	269	271	274	0.74	1.11
7. No. of Trading Securities (In Rs. million)	214.10	159.7	302	(25.42)	89.10
8. No. of Transaction	566390	477278	831997	(15.73)	74.32
9. Market Capitalisation (In Rs. billion)	1057.17	989.40	1890.13	(6.41)	91.04
10. Float Market Capitalisation (In Rs. billion)	331.06	281.78	718.96	(14.88)	155.15
11. Turnover/Market Capitalisation (In %)	7.31	7.72	8.67	5.61	12.30
12. Market Capitalisation/ GDP (In %)	54.82	46.60	84.05	(27.20)	110.59
13. Float Market Capitalisation/ GDP (In %)	17.17	13.29	31.97	(22.60)	140.56
14. NEPSE Index (In Points)	1036.11	961.23	1718.15	(7.23)	78.74
15. NEPSE Sensitive Index (In Points)	222.45	204.67	369.07	(7.99)	80.32
16. NEPSE Float Index (In Points)	73.11	68.47	125.41	(6.35)	83.16

Source: Nepal Stock Exchange Ltd

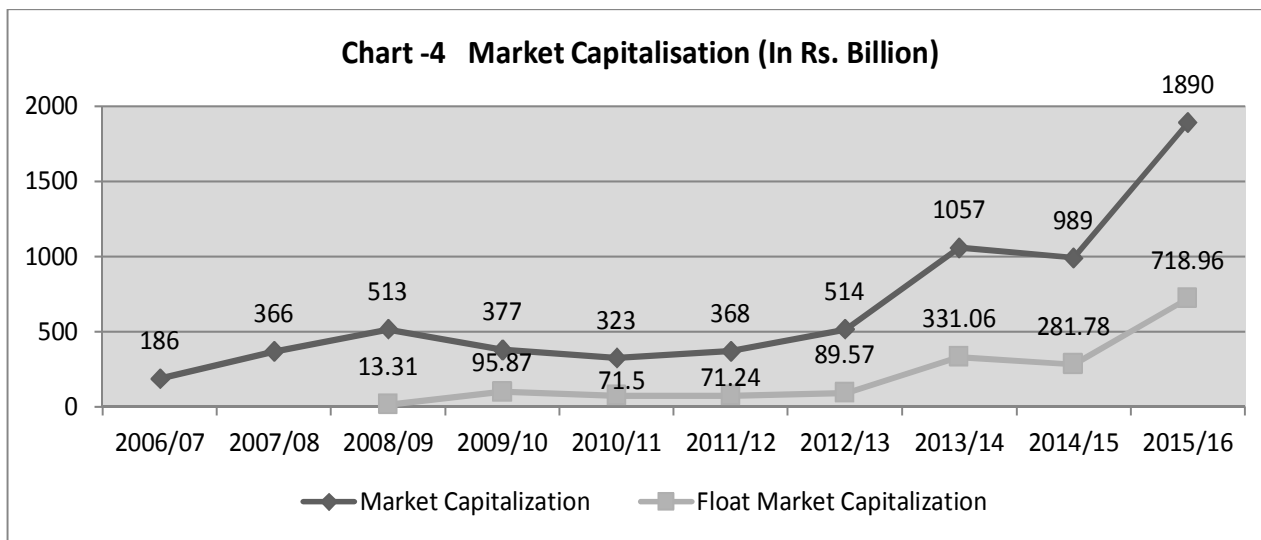
Turnover

In review period, turnover amount reached to Rs. 163.95 billion with a significant rise of 150.96 percent as compared to previous fiscal year. The turnover was Rs. 65.33 billion in the previous fiscal year. Similarly, number of traded shares also increased by 89.10 percent and reached to approx. 300 million in the review period. Average daily transaction was recorded as Rs. 0.71 billion in this fiscal year which was Rs. 0.30 billion in previous year. In this way, the number of shares traded and turnover decreased in previous fiscal year increased significantly in the review period. The detail of turnover of securities transaction is depicted in Chart-3.



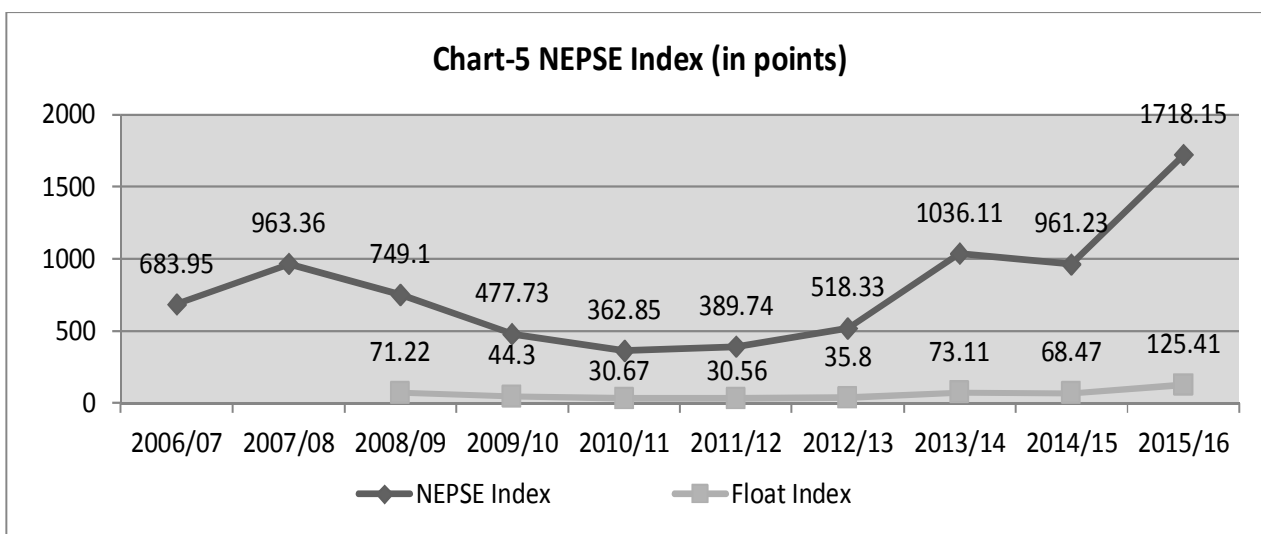
Market Capitalisation

The market capitalisation of NEPSE which was Rs. 846 billion at the end of previous fiscal year increased by 123.33 percent and reached to Rs. 1890 billion at the end of fiscal year 2015/16. Though ratio of turnover to market capitalisation stood at 8.67 percent, it was 22.80 percent in terms of float (shares issued to public and are freely tradable) market capitalisation. Turnover to market capitalisation was 7.72 in previous fiscal year. The trend of market capitalisation is depicted in chart-4.



NEPSE index

The NEPSE index which was at 961.23 points at the end of fiscal year 2014/15 increased by 78.74 percent and reached to 1718.15 points at the end of year 2015/16. In fiscal year 2015/16, NEPSE recorded the highest point of 1724.59 on June 29, 2016 and lowest point of 963.23 on July 21, 2015. Likewise, NEPSE float index reached to 125.41 points with an increment of 83.16 percent. The annual trend of NEPSE index of last 10 years is depicted in chart-5.



Listing of Securities

A total of additional 15 companies (12 development bank, two hydropower and one from others sector) listed their shares at NEPSE and 18 listed companies were merged with or acquired by other listed companies in the review period. So, number of listed companies slightly decreased to 229 in this fiscal year from 232 in previous fiscal year. In review period, NEPSE listed common stocks issued through IPOs, FPOs, right shares worth Rs. 37.95 billion, corporate bond worth Rs. 1.70 billion, and mutual fund scheme worth Rs. one billion.

Listing of Common Stock: In review period, a total of 15 public companies with 12 development banks, two hydro-companies and one from others sector listed their common stocks issued through primary issue worth Rs. 12.17 billion. In previous fiscal year, seven public companies listed common stock worth Rs. 3.26 billion. During the review period, three listed companies consisting of one bank, one insurance company and one finance company listed FPOs of Rs. 1.01 billion. Likewise, 28 listed companies (six commercial banks, 15 development banks, five insurance companies, two finance companies) listed right shares worth Rs. 3.74 billion whereas 26 listed companies listed right shares worth Rs. 1.54 billion in previous fiscal year.

In fiscal year 2015/16, 128 listed companies (25 commercial banks, 64 development banks, 16 finance companies, 18 insurance companies, one hydro-company, one trading companies and three hotels) listed bonus share of Rs 21.02 billion. In previous year, 110 listed companies listed bonus share of Rs 13.11 billion.

Listing of Debenture: Three commercial banks listed debenture amounting to Rs 1.70 billion in the review year. Last year, only two commercial banks listed debenture worth Rs 1.25 billion.

Listing of Mutual Fund Scheme: In review period, one mutual fund scheme worth Rs. one billion was listed in NEPSE. In previous year, four schemes worth Rs 3.25 billion were listed.

Paid-Up Value of Listed Securities

The total paid-up value of listed securities was Rs. 321.82 billion in the review period which was Rs. 210.58 billion in previous fiscal year. Paid up value of listed securities increased by 52.83 percent in this period.

Classification of Listed Companies

In the review period, Nepal Stock Exchange Ltd. classified 26 commercial bank, 57 development bank, 25 finance company, 17 insurance company, one hotel, three hydropower, one manufacturing and processing, one others sector company with total of 131 listed companies in class “A” category.

Sectorwise Classification of Listed Companies

Listed companies are categorised into nine different sectors. In review period, NEPSE categorised 229 companies into nine sectors consisting of 29 commercial banks, 95 development banks, 46 finance companies, 22 insurance companies, four hotels, 18 manufacturing and processing companies, eight hydro power companies, four trading and three other companies. The sectorwise description of listed companies is shown below on Table-5.

Table-5 Sectorwise Classification of Listed Companies

SN	Sector	No. of Listed Companies	Structure %
1	Commercial Banks	29	12.66
2	Development Banks	95	41.48
3	Finance Companies	46	20.09
4	Insurance Companies	22	9.61
5	Manufacturing and Processing Companies	18	7.86
6	Hotels	4	1.75
7	Trading Companies	4	1.75
8	Hydro-power Companies	8	3.49
9	Others	3	1.31
Total		229	100%

OTC Market Transaction

SEBON, exercising the power as per Section 117 of Securities Act, 2006, approved OTC Market Byelaws, 2008 under the rule 23 of Stock Exchange Regulations, 2008 and NEPSE implemented the same on June 4, 2008. Then after, this market remained almost passive with transactions of very few companies including shares of Nepal Bank Limited at the very beginning. SEBON informed Office of the Company Registrar that the shares of unlisted and delisted securities of public limited companies can be traded through OTC market and also directed NEPSE to operate OTC market effectively. As a result, OTC market operation was regularised after a notice related to transaction of shares of unlisted, delisted and those ineligible for listing of public limited companies from OTC market was published in the review period. A total of 12,919,331 shares of different companies were traded on OTC market in fiscal year 2015/16.

Central Depository Services

CDS and Clearing Limited, licensed on August 24, 2011 from SEBON as per Central Depository Services Regulations, 2010, registered a total of 13 companies to operate as depository participant in fiscal year 2015/16. With this, the number of depository participants reached to 56 at the end of the review period and they had been providing depository services in 60 districts of the country. A total of 351,425 new Demat accounts were opened in the review period and total number of Demat accounts reached to 392,359 which is 8 times higher than that of previous fiscal year. The total number of Demat shares reached to 930,399,655 at the end of fiscal year 2015/16 after 907,766,273 shares being dematerialised in fiscal year 2015/16 which was 39 times higher than that of previous year. The status of dematerialisation of securities during last 5 years is presented in table-6.

Table-6 Securities Dematerialisation

SN	Particulars	Fiscal year				
		2011/12	2012/13	2013/14	2014/15	2015/16
1	Number of Depository participants	2	8	10	44	56
2	No. of registered companies	-	12	16	113	205
3	No. of DMAT accounts	-	256	534	40,934	392,359
4	No. of DMAT shares	-	6,561	180,467	22,633,382	930,399,655

Sources: CDS and Clearing Ltd.

Membership of ANNA

SEBON authorised CDS and Clearing Limited to obtain membership of Association of National Numbering Agencies (ANNA) and then after with the co-ordination of SEBON, CDS and Clearing Limited became the 92nd member of ANNA in June 2016.

Credit Rating Services

Credit Rating Regulations, 2011 has made mandatory provision of rating of public issue of securities like common stock, right share, debenture, preferred stock exceeding issue amount of Rs. 30 million and SEBON granted license to ICRA Nepal Limited to provide credit rating services on October 2012. In fiscal year 2015/16, ICRA provided 49 rating/grading services which was an increase of 44.11 percent as compared to 34 rating/grading services of previous fiscal year. SEBON inspected 7 ratings in the review period. ICRA Nepal Ltd., which commenced its operation from the last quarter of fiscal year 2012/13, provided 114 rating/grading services till the end of fiscal year 2015/16 with 13 bond rating, seven issuer rating, six fund managers rating and 88 equity grading (30 IPOs, 55 right shares and three FPOs). The detail of rating services provided by ICRA Nepal in last four years is presented in Table-7.

Table-7 Status of Rating Services

SN	Particulars	Fiscal year				Total
		2012/13	2013/14	2014/15	2015/16	
1	Debentures' Rating	3	3	6	1	13
2	Issuers' Rating	1	3	1	2	7
3	Fund Managers' Rating	-	3	1	2	6
4	FPOs	-	-	-	3	3
5	IPOs	3	6	7	14	30
6	Right Offerings	2	7	19	27	55
Total						114

Source: ICRA Nepal Ltd.

2.3 Programme and Policies relating to Securities Market

Government has given the priority for securities market in its annual programme and policies as public interest on securities market are overwhelming in recent period. In fiscal year 2015/16, following programmes were included in the budget speech:

- In order to make the secondary market more effective for the institutional development of capital market, Citizen Investment Trust will be made more active.
- Financial Sector Development Strategy (FSDS) will be implemented from the fiscal year 2015/16. In fiscal year 2016/17, following programmes related to securities market were included in the budget speech.
- Commodity market related bills which is under discussion in parliament will be tabled for approval in the following fiscal year.

- In order to encourage productive sector companies to be listed on the stock exchange, a provision of 15 percent tax rebate on the income of industries and businesses established as public companies will be made.

Similarly, the programme as follows related to securities market is included in 'Plan and Policies of Nepal Government', presented by President in fiscal year 2016/17.

- Modern and credible capital market as a means of key mechanism for the economic development of nation will be developed to lure the national and international saving and investment.

In order to implement the programme incorporated in Budget 2015/16, a sub- committee was formed to formulate strategies relative to capital market under the Financial Sector Development Strategy being developed by Government of Nepal. The committee developed five years capital market development strategy by incorporating different aspects of capital market and submitted to technical committee. With the objective of providing stability in the securities market by introducing Citizen Investment Trust as institutional investor in securities market, SEBON formed another committee including the representation of Ministry of Finance for the technical study and the process is moving forward as per the report submitted by the committee.

Part-III

Administrative and Financial Status of Board

3.1 Introduction

The history of Nepalese securities market can be traced back to 1937 with the flotation of shares of Biratnagar Jute Mills and Nepal Bank Limited. After the establishment of Securities Marketing Centre (SMC) in 1976, securities market in Nepal was developed institutionally and the provision for transactions of government bond was made. However, the role played by Centre could not be as per its objectives during that period. As a result, Government enacted Securities Exchange Act, 1983 in order to manage the secondary transaction of government securities.

After the economic liberalisation policy adopted in 1990, private sectors started to actively participate in capital market. It was realised that the role of SEC to manage the secondary market especially government bond transactions and to regulate them was conflicting. So, Nepal Government established Securities Board of Nepal (SEBON) on June 7, 1993 as an independent regulatory body of securities market by amending Securities Exchange Act, 1983.

Government promulgated Securities Act, 2006 in 2006 by replacing Securities Exchange Act, 1983 with an objective of protecting the interest of investors by regulating the issuance, purchase, sale and exchange of securities and regulating and managing the activities of the securities markets and persons involved in the securities business. After that, SEBON is regulating the securities market as an autonomous body.

3.2 Objectives and Functions

SEBON was established with broad objectives of regulating and managing the activities of the securities markets and persons involved in the business of dealing in securities by regulating the issuance, purchase, sale and exchange of securities for the purpose of protecting the interests of investors in securities and developing the securities market to mobilise necessary capital for the economic development of the country. The functions, duties and powers of the Board are as follows:

- Grant permission to operate a stock exchange, regulate and monitor the activities of stock exchange and to suspend or revoke the license of such stock exchange, if the stock exchange is not executing its activities in accordance with the act.
- Grant permission to operate securities businesses, regulate and monitor the activities of those securities businesses and to suspend or revoke the license of such securities businesspersons, if such business is not done in accordance with the act.
- Classify securities businesspersons and fix their standards according to their functions and capability.
- Register the securities of any corporate body established with the authority to make a public issue of its securities.

- Regulate and systematize the issue, transfer, sale and exchange of registered securities.
- Provide an advice, as per necessity, to the Government of Nepal on matters incidental to the development of capital market.
- Grant a permission to operate collective investment schemes and investment fund programs, and to regulate and monitor them.
- Approve bye-laws of stock exchanges and those bodies which are related with securities business and engaged in securities transactions.
- Make necessary amendment in stock exchange and other bye-laws with a view to making necessary provisions concerning the development of capital market and protecting the interests of investors in securities.
- Systematize the clearance of accounts related to securities transactions.
- To regulate the volume of securities and the mode of securities transactions for the promotion, development and healthy operation of stock exchanges.
- Prevent insider trading or any other offense relating to securities transactions for the protection of the interests of investors in securities.
- Review financial statements submitted by corporate bodies issuing securities and securities businesspersons, and give such directives to the concerned corporate bodies as it deems necessary.
- Maintain coordination and exchange cooperation with the concerned agencies in order to supervise and regulate matters concerning securities.
- Perform such other functions as may be necessary in relation to securities and the development of capital market.

3.3 Board of Directors

There is provision of seven members in governing board of SEBON with representation from different government and private sectors. The seven members includes one full time chairman appointed by the Government for tenure of four years. Other members of the Board include joint secretary of Ministry of Finance, joint secretary of Ministry of Law, Justice and Parliamentary Affairs, representative from Nepal Rastra Bank, representative from Institute of Chartered Accountants of Nepal (ICAN), representative from Federation of Nepalese Chambers of Commerce and Industries (FNCCI) and one member appointed by the Government from amongst the experts pertaining to management of securities market, development of capital market, financial or economic sector.

In review period, Joint-secretary Mr. Madhusudan Pokharel was representing SEBON from Nepal Government, Ministry of Finance before Joint-secretary Mr. Anandaraj Dhakal represented from February 16, 2016. Similarly, Joint-secretary Ms. Lila Devi Gadtaula was representing SEBON from Nepal Government, Ministry of Law, Justice and Parliamentary Affairs before Joint-secretary Mr. Dilli Raj Ghimire represented from March 25, 2016. Executive Director Mr. Shivanath Pandey was representing SEBON from Nepal Rastra Bank, central bank of Nepal before Executive Director Mr. Nara Bahadur Thapa represented from April 22, 2016. Similarly, Mr. Nil Bahadur Saru Magar was appointed as expert member of SEBON on March 18, 2016 and Mr. Dinesh Shrestha was representing FNCCI from June 5, 2014. With the increase in work load of SEBON, a total of 33 board meetings were held in the review period. The number of such meetings were 24 in last fiscal year.

3.4 Organisational Structure and Human Resource Management

The scope of Nepalese securities market has been increased recently. Currently, SEBON is actively regulating more than 370 companies including Nepal Stock Exchange, CDS and Clearing Company, Depository Participants, Mutual Funds, Credit Rating Company, Securities Businesspersons and Merchant Bankers. So, for efficient management and to foster the institutional capabilities, SEBON has developed and implemented new organisational structure by reviewing the existing organisational structure. To fulfil the requirement of staff as per new organisational structure, SEBON recruited 27 new staff in various level; one director, seven deputy-directors, 11 officers and eight assistants in fiscal year 2015/16 following the basic principles of Public Service Commission. At present, there are 53 employees in SEBON with two executive directors in department, four directors in division, eight deputy directors in section and 15 officers in sub-section. The detail of organisational structure is presented in Annex-6.

3.5 Committees

Some permanent and temporary committees are formed in SEBON to perform and assist to carry out the functions of SEBON effectively. The major tasks performed by the committees in the fiscal year 2015/16 are as follows:

3.5.1 Legal and Enforcement Committee

The committee was formed with an objective of drafting the required regulations, directives and other legal documents, providing opinions on critical legal matters, making compliance of legal issues of securities market more effective. This committee is headed by Board member representing from Ministry of Law, Justice and Parliamentary Affairs. Head of Regulation and Management Department, Head of Legal and Enforcement Division and one external legal expert are the members of this committee. In review period, committee performed following tasks:

- The committee reviewed the employee's bylaws of Nepal Stock Exchange Limited.
- The committee prepared the amendment of Credit Rating Regulations, 2012.

3.5.2 Financial Administration and Information Analysis Committee

The committee was formed with the objective of finalising the draft of annual budget and programme of SEBON, reviewing the annual budget and expenditure, reviewing the audited report and finalizing draft of response to the audit report, performing the task related to financial information analysis and financial administration. The committee is headed by the Board member representing from Institute of Chartered Accountants of Nepal (ICAN). Head of Regulation and Management Department is the member and Head of Financial Management Section is the member secretary of this committee. In review period, committee performed following tasks:

- The committee prepared draft of budget of fiscal year 2016/17.
- The committee prepared response of audit report after studying the report received from auditor.
- The committee recommended to deposit of fund of SEBON in different banks.

3.5.3 Audit Committee

The committee was formed with an objective of assisting the Governing Board of SEBON in reviewing financial statement of SEBON, strengthening financial transparency and corporate governance, appointing internal auditor, determining remuneration and other facilities of internal auditor, fixing and evaluating the auditing process of independent auditor. The committee is headed by Board member representing from Institute of Chartered Accountants of Nepal (ICAN). Board member representing from Nepal Rastra Bank and Head of Regulation and Management Department of Board are the members of this committee.

3.5.4 Other Committees

Except permanent committees, other committees were also formed in review period to study the technical part of some specific issues like Further Public Offering, FPO, Account Supported by Blocked Amount, introducing Citizen Investment Trust as institutional investors in secondary market. All committees completed the assigned tasks during the review period.

3.6 Financial Status of Board

The financial status of Board in review period is satisfactory. Board's income has increased by 67.55 percent and expenditure by merely 2.91 percent as compared to previous year. In the review period, Board's reserve has significantly increased by 143.57 percent.

In review period, Board was able to generate total revenue of Rs. 176.35 million whereas expenditures reached to Rs 58.20 million. SEBON collected Rs. 157.30 million through securities registration and issuance approval, collective investment scheme issuance approval, license renew of Credit Rating Agency, NEPSE, CDS and Clearing Limited, registration and license renewal of Merchant Banker and Broker, securities transaction fees, application fees, processing fees of prospectus and licensing fee. SEBON earned interest income of Rs. 18.77 million and other income of Rs. 0.22 million. Total revenue of Board was Rs. 105 million in previous year.

Total expenditure of Board stood at Rs. 58.20 million which was Rs. 56.50 million in fiscal year 2015/16. Board spent Rs. 567 million for employees and other administrative activities and Rs. 1.49 million have been accounted for depreciation.

SEBON has a saving of Rs 118.16 million, significant rise of 143.57 percent as compared to previous year. It was Rs 48.51 million in previous year. This increment in saving was due to the rise in income on account of securities registration and issuance, merchant banking, rating activities of CDS. The Balance Sheet, Income Statement and Cash Flow Statement of SEBON of the fiscal year 2015/16 are presented in Annex- 7, 7(A), 7(B).

3.7 International Relation

SEBON has become an Associate member of International Organisation of Securities Commissions (IOSCO) in July 2016 after completing different process laid down by IOSCO including response to the High Level Survey. At present, IOSCO has 126 Ordinary members, 23 Associate members, 65 Affiliate members. Likewise, with the objectives of enhancing the level of securities market of Nepal by internationalising it, CDS and Clearing Limited (CDSC) has become the member of Association

of National Numbering Agencies (ANNA) with the initiation and coordination of SEBON. The annual general meeting of ANNA held in Yerevan, capital city of Armenia, on June 2 and 3, 2016 granted its 92nd membership to CDSC. At present, ANNA has 93 full members and 27 partner members.

SEBON is promoter of Asia Forum for Investor Education (AFIE) established in 2010 and is actively performing its role in AFIE since its establishment. SEBON, as a member of South Asian Securities Regulators Forum (SASRF), is maintaining cordial relation with other member regulatory bodies and is sharing knowledge and information related to securities market as well as is coordinating and cooperating on matters related to securities market. Similarly, SEBON is actively participating in the programme related to capital market, organised by World Bank, Asian Development Bank, Asia Pacific Economic Cooperation (APEC), Toronto Centre and securities market regulatory bodies of other countries.

Part-IV

Activities of SEBON

SEBON undertook several initiatives to reform and expand Nepalese securities market in the review period along with performing regular functions like renewal/licensing/registration of stock exchange, securities businessperson, mutual fund, depository participants and credit rating agency. SEBON too smoothly performed functions related to prospectus approval, securities registration of listed companies, on-site and off-site supervision of stock exchange, securities businesspersons, mutual funds, depository participants and credit rating agency, real time surveillance of NEPSE transaction, review of laws related to securities market, enforcement of legal provisions, handling grievances, conducting awareness and interaction programmes in different part of country. The detail of major activities performed by SEBON in Fiscal Year 2015/16 is briefly presented as under:

4.1 Licensing and Renewal

4.1.1 License renewal of Nepal Stock Exchange Limited

Under the provision of Securities Act, 2006 and Stock Exchange Operation Regulations, 2007, NEPSE submitted application for renewal of its license and SEBON renewed the same.

4.1.2 License renewal of Central Depository Company

Under the provision of Central Depository Services Regulations, 2010, CDSC submitted application for renewal of its license and SEBON renewed the license of CDSC.

4.1.3 Licensing, Renewal and Liquidation of Merchant Bankers

In review period, SEBON renewed the license of 16 merchant bankers and granted license to Provident Merchant Banker Limited for share registration and portfolio management services. Total number of merchant bankers reached to 17 till the end of fiscal year 2015/16. The detail of merchant banker licensed by SEBON is presented in Annex-8.

4.1.4 License renewal of Securities Businesspersons

According to Securities Act, 2006 and Rule 8 of Securities Businessperson (Stockbroker, Dealer and Market Maker) Regulations, 2007, SEBON renewed license of 50 stockbrokers after receiving renewal application from them. The detail of licensed stockbrokers is presented in Annex- 9.

4.1.5 Registration and license renewal of Depository Participants

As per Rule 22 of Central Depository Service Regulations, 2010, SEBON renewed the license of 50 depository participants after receiving renewal application from them. Similarly, SEBON granted registration certificate of depository participants to 16 companies in the review period. Last year,

SEBON registered 37 such companies. The number of depository participants reached to 66 at the end of fiscal year 2015/16. A depository participant named DP and Clearing House Ltd. was established with the ownership of 10 stockbrokers in the review period as SEBON made provision of establishment of a depository participant with joint ownership of at least 10 stockbrokers. The details of depository participants registered with SEBON is presented in Annex-10.

4.1.6 License renewal of Credit Rating Company

Under the provision of Credit Rating Regulations, 2011, SEBON renewed the license of ICRA Nepal Limited.

4.1.7 License renewal of Fund Manager and Depository

In review period, SEBON licensed Global IME Capital Limited to provide the service of fund manager and depository for Global IME Mutual Fund scheme. SEBON renewed the license of five fund manager and depository. The licensed fund manager and depository is presented in table-8.

Table-8: Fund Manager and Depository

SN	Fund Manager and Depository
1	NABIL Investment Banking Limited
2	Siddhartha Capital Limited
3	NMB Capital Limited
4	NIBL Capital Limited
5	Laxmi Capital Limited
6	Global IME Capital Limited

4.2 Legal Provision, Enforcement and Suggestions/Comments

4.2.1 Legal Provision

SEBON regularly reviews existing laws, rules and regulations for the development of securities market and proposes amendments whenever necessary. In this fiscal year, SEBON drafted, reviewed and amended the following regulations and directives:

- SEBON forwarded amendment of schedule 14 of Securities Businessperson (Stockbroker, Securities Dealer and Market Maker) Regulations, 2007 related to service charge to be received against stock brokerage to Nepal Government, Ministry of Finance for approval.
- Draft copy of Securities Listing and Transaction Regulations was prepared.
- Draft copy of Corporate Governance Guidelines was prepared.
- Draft of Securities Purchase (Public Issue) Directive was prepared and sent to the respective stakeholder for their opinion/feedback/comments.
- Securities Registration and Issue Regulations, 2016 was drafted and sent to Nepal Government, Ministry of Finance for approval.

Similarly, SEBON approved and provided suggestions and comments on the byelaws received from NEPSE and CDSC. The details of which are mentioned below:

- The employee byelaws of NEPSE was reviewed and sent back to NEPSE for further improvement.
- SEBON provided its suggestions and comments regarding improvement of issues of Securities Transaction Byelaws received from NEPSE for approval and asked NEPSE to resubmit the same.
- CDSC forwarded amendment of Memorandum of Association and Article of Association for approval and that is being reviewed by SEBON.
- CDSC submitted Central Depository Service Byelaws, 2011 with amendment in provisions related to improvement in software and technology and the same is in the process of review.
- The review of Clearing and Settlement Byelaws, 2012 with amendment in settlement fee, submitted by CDSC, is in process.

4.2.2 Enforcement

SEBON played an active role to ensure compliance with the regulatory provisions by all market participants during the year. The enforcement actions taken during the year are as follows:

- 10 cases at Supreme Court, four at Appellate Court and one certiorari writ petition at Kathmandu District Court were filed against SEBON and were defended. Among which verdict of two cases at Supreme Court, two at Appellate Court and one at Kathmandu District Court was given by honorary court. Initial ratification was done on one case filed at Appellate Court while on other writ petition the verdict was given in favour of SEBON.
- Written and other grievances lodged at SEBON through hotline telephone number by investors were addressed.
- The investigation related to transaction of fake share certificate, conduct of securities businessperson against guidelines of SEBON and issuing share to public without registering share at SEBON was made during this year.

4.2.3 Suggestions and Comments

Office of the Company Registrar (OCR) has requested SEBON for its suggestions and comments in Memorandum of Association and Article of Association of securities businessperson during their registration at OCR and SEBON provided its suggestions and comments accordingly.

4.3 Supervision and Monitoring

Monitoring of Public Issue

Under the provision of regulations and directives related to off-site monitoring of public issue of securities, SEBON monitored the following aspects of public offerings:

- Whether the report about the number of application form and collected amount have been submitted within the stipulated time or not.
- Whether there is any deviation on the report received from the collection Centre and report submitted by Issue manager to SEBON.

- Whether the report related to the draft was submitted to SEBON or not within the 15 days of issue close date.
- Whether the collected amount was deposited or not in Nepal Rastra Bank after issue close date.
- Whether the allocation module was submitted to SEBON or not before three days of the allocation.
- Whether the allocation and refunding of amount was initiated within the stipulated time or not.
- Whether the report on collected amount deposited in banker to issue is submitted to SEBON or not.
- Whether the companies applied application for the listing of shares within the stipulated time or not,
- Whether issue manager deposited the refund amount in the concerned applicants' bank account or not,
- During share issuing process, whether the prospectus, details of right offering, offered document approved by SEBON for investors was updated in website of issuing company or not till the date of issue.

SEBON completed the on-site inspection of 55 companies during their public offerings. The detail of public offerings in review period is presented in Table-4.2.

Table-9: Public Offering

SN	Particulars	Approval	Issue	Issued shares	Subscribed shares	Subscription status
1	Common Stock	9	6	23,732,880	669,453,334	28.21
2	Mutual Fund	1	1	100,000,000	100,000,000	-
3	Local	5	4	2,716,582	25,350,690	9.33
4	FPO	3	3	10,094,662	90,087,330	8.92
Total		18	14	136,544,124	884,891,354	

Supervision of Securities Trading

In order to systematise operation of stock exchange, SEBON developed Real Time Surveillance system by establishing direct link to NEPSE through electronic means so as to have real time monitoring of daily securities trading. With this, SEBON has obliged stockbrokers to clarify their trading statements if needed after noting the abnormality of the transactions through real time monitoring and surveillance. Through this system, SEBON has been monitoring floor activities as well as the traded persons and institutions including traded companies, traded value and number of shares traded.

In the process of monitoring the secondary market, SEBON has been preparing the brief reports of daily trading companies, reports of weekly traded companies, block transactions related reports, reports of total traded amount of stockbrokers on weekly basis, statement of securities not traded for more than three months, records of promoters share transaction and transaction records of merchant banker on regular basis.

Supervision of Stock Exchange's Reporting

Under the provision of Stock Exchange Operation Regulations, 2007, stock exchange need to submit the audited financial reports and annual report highlighting the performance of fiscal year within three months of the end of each fiscal year and quarterly report within 30 days of completion of the quarterly period. As per this provision, Nepal Stock Exchange Limited (NEPSE) submitted the annual report and financial report for fiscal year 2014/15 within stipulated time. NEPSE had not submitted any quarterly reports to SEBON in the fiscal year 2015/16.

Supervision of Central Depository Company

Under the provision of Central Depository Service Regulations, 2010, the Central Depository Company should make arrangements for internal audit of its operation and should submit the annual report of internal audit to SEBON within three months of completion of the fiscal year; should complete audit within three months of completion of the fiscal year and should submit audited financial statements to SEBON within one month of completion of audit; submit its annual report to SEBON within six months of completion of the fiscal year; submit the details of agenda and decisions of the annual general meeting to SEBON within 30 days of completion of its annual general meeting; submit quarterly report within 30 days on completion of quarterly period. If Central Depository Company has taken any action against the Depository Member, details of the proceeding and the reason on for the proceeding within seven days of such action, submit the report relating to inspection of Depository Members by Central Depository Company within 30 days at the end of such inspection. As per this provision, SEBON received financial report for fiscal year 2014/15 and quarterly report for fiscal year 2015/16 from CDS and Clearing Limited within the stipulated time.

Supervision of Merchant Bankers' Reporting

Under the provision of Securities Businessperson (Merchant banker) Regulations, 2010, a merchant Banker should submit its audited financial statements and business report for the period to SEBON within three months from the end of the fiscal year; should submit semi-annual report of its merchant banking business to SEBON within 60 days of the expiry of the semi-annual period. As per the provision, all merchant bankers have submitted the annual report for fiscal year 2014/15 and 12 merchant bankers have submitted semi-annual report for the fiscal year 2014/15.

Supervision of Credit Rating Company's Reporting

Under the provision of Credit Rating Regulations, 2011, Credit Rating Company should submit quarterly report including the performance within 30 days of the expiry of the quarterly period. According to this, ICRA Nepal Limited submitted the quarterly report for the fiscal year 2015/16.

Supervision of Mutual Fund's Reporting

In review period, six fund managers submitted their report to SEBON as per the provisions under the Mutual Fund Regulations, 2010. As per the provisions, fund managers have to submit annual report including their performance and financial report of each scheme to Fund Supervisor and SEBON.

Supervision of Stock Brokers' Reporting

Under the provision made by Securities Businessperson (Stockbroker, Dealer and Market Maker) Regulations, 2007, stockbrokers have to submit their annual report including Balance Sheet, Income

Statement and Cash Flow Statement within the three months from the end of each fiscal year. A total of 48 stockbrokers submitted annual report to SEBON for fiscal year 2014/15 in review period. A total of 50 stockbrokers had submitted their report to SEBON in the previous fiscal year.

As Securities Businessperson (Stock Broker, Dealer and Market Maker) Regulations, 2007 has made provision for stockbroker to submit their quarterly report within 30 days from the end of each quarter of every year, all stockbrokers submitted the report of each quarter of the fiscal year 2015/16. All stockbrokers had submitted the quarterly report of each quarter of the fiscal year to SEBON within stipulated time in the previous fiscal year.

Supervision of Listed Companies' Reporting

Under the provision of Securities Registration and Issuance Regulations, 2008, all listed companies should submit annual report within five months from the end of each fiscal year. Among 229 listed companies, 18 listed companies submitted their annual report within stipulated time. However, 103 listed companies submitted the report lately. With this, 121 companies, in total, have submitted the annual report for fiscal year 2014/15. Out of 232 listed companies, 99 companies submitted in time, 22 companies submitted late. The details of listed companies' disclosure are presented in table-10.

Table-10: Disclosure of Listed Companies

Particulars	FY 2013/14		FY 2014/15		FY 2015/16	
	Timely submission	Late Submission	Timely submission	Late Submission	Timely submission	Late Submission
I Quarter	168	-	177	99	22	42
II Quarter	181	-	175	-	93	68
III Quarter	182	-	175	-	123	33
IV Quarter	163	-	162	-	112	23
Annual Report	45	123	99	22	18	103

Annual General Meeting of Listed Companies

Listed companies are required to conduct their annual general meeting within 6 months from the end of each fiscal year. During the review period, 118 listed companies informed SEBON about their AGM before the AGM date and 116 companies informed after their AGM.

4.4 Investor Education and Training Programme

During the review period, SEBON conducted investors' awareness programme in various parts of country in coordination with local chapters of Federation of Nepalese Chamber of Commerce and Industries, educational institutes and other social organisations. A total of 1500 individuals including investor, entrepreneur and businessman, students and academicians benefitted from the said programmes. Various aspects of capital market were the content of the programmes. The detail of training programmes conducted in review period is presented in Table- 11.

Table-11: Investor Education Programme

SN	Date	Location	Target Group
1	11 th Jan 2016	Uniglobe College, New Baneshowr, Kathmandu	Students
2	3 rd Feb 2016	Universal College, Maiti Devi, Kathmandu	Students
3	22 nd Feb 2016	White House College, Kathmandu	Students and Professors
4	20 th May 2016	Apollo International College, Naya Baneshwor	Students and Professors
5	9 th July 2016	Gyan Bikash Samudayik Pustakalya, Panauti Nepal (NGO) and Indreshwor Saving and Credit Co-operating Limited, Panuati, Kavre	General Investors, Businessperson and Entrepreneurs
6	10 th July 2016	Tej Ganga Campus and Indreshwor Multiple Campus, Panauti, Kavre	Students and Professors
7	13 th July 2016	Miracle Education Foundation Pvt Ltd and FNCCI Waling, Syangja	General Investors, Businessperson and Entrepreneurs
8	14 th July 2016	Syangja FNCCI, Syangja	General Investors, Businessperson and Entrepreneurs

4.5 Discussion and Interaction Programme

Credible and sustainable development of Nepalese capital market is the main objective of SEBON. For this, SEBON has conducted various interaction programmes with capital market stakeholders such as: Ministry of Finance, Nepal Stock Exchange Limited, CDS and Clearing Limited, ICRA Nepal Limited, Citizen Investment Trust, Securities Businesspersons, Investors Forums, Investors and Journalists. In review period, the detail of discussion and interaction programmes conducted is presented in Table-12.

Table-12: Interaction Programme

Date	Content	Participants
7 th Feb 2016	Improvement on service of share registration	Representatives of Share Registrar
7 th May 2016	Capital Market reforms, Challenges and Fiscal Policy	Stakeholders of Capital Market
11 th June 2016	Media Training on Capital Market Reporting	Stakeholders of Capital Market and Economic Journalist
12 th July 2016	Policy and Program of Capital market in Fiscal Year 2016/17	Stakeholders of Capital Market

4.6 Training and Seminar

SEBON conducted 5 days pre-services orientation programme to newly recruited employees through resource person from Ministry of Finance, Nepal Government, SEBON authorities, Nepal Administrative Staff College and experts of capital market. Similarly the Board member, high level management and employees in order to enhance their skills and capacity building, actively participated

in 25 various national and international level study visit training and seminar on the topic like APEC FRT 1 Regional Seminar on Enforcement including Cross Boarder, ANNA visit on Market Maker, Financial Education, Anti-Money Laundering, programme on Public Private Partnership under Capital Market Infrastructure Capacity Support Project, Regional Seminar on Capital Planning and Stress Testing, Observation visit to Bombay Stock Exchange, National Stock Exchange, Securities and Exchange Board India, National Securities Depository Limited, Central Depository Services Limited, Regional Seminar on Technology Risk Supervision, International Institute for Compliance and Examination, Observation visit to Bangladesh. Similarly, SEBON authorities and employees participated in the legal enforcement, financial literacy, supervision, compliance and monitoring programmes conducted internationally.

4.7 Publication and Information Disclosure

Securities Data Management System

The updation and dissemination of data and statistics relating to securities market and economy continually made during the review period on the Central Securities Data Bank of Nepal established by incorporating the data and statistics of past 18 years relating to securities market and economy. With this system, the investors willing to invest in securities market can have access of data and statistics of the listed companies interested to invest.

Annual Report

In pursuant to the Section 26 Securities Act, 2006, SEBON published the annual report for fiscal year 2014/15 including activities and initiatives taken to develop the capital market.

Investment Awareness Materials

SEBON published the informative booklets to investors named "Things Investors need to Know" in order to increase awareness of the investors regarding investment in securities. Similarly, SEBON published and distributed pamphlets and various tips in different newspapers regarding the basic aspects of securities investment to be considered before investing in capital market. SEBON has published Frequently Asked Questions to address the investors' queries relating to securities market.

Securities Law Anthology

SEBON has distributed the securities law anthology published by SEBON to stakeholders that consists of securities related act, regulation and directives.

Website

With an objective of acquainting the stakeholders for up-to-date information and market scenario, SEBON has been updating its website regularly. Archives like Securities Act, regulations and guidelines, introduction of SEBON, annual report, securities market trimester review, grievance submission formats, market news and information and awareness materials for the investors are available in the website and has disclosed publicly the reports regarding the compliances of the provisions under the act and regulation by securities market, securities businesspersons and listed companies through its website.

Provision of Hotline Number

The Hotline Telephone introduced in fiscal year 2013/14 to collect the complaints, grievances, suggestions and feedback of general investors has been made more effective in review period. Hotline Number of Board is 1660-01-44433.

4.8 Study and Research

SEBON conducted the following research and studies in order to assist directives issuance and to formulate plan and policies for the reform and development of capital market:

- A study was conducted on "Continuing Professional Development" in order to enhance the professional capabilities of securities businessperson.
- SEBON initiated preliminary study to establish Capital Market Institute and to introduce Free Pricing Model.
- SEBON submitted the concept paper relating to securities market and plan and programmes to be incorporated in 14th three year plan as asked by National Planning Commission and Ministry of Finance, Nepal Government.
- SEBON prepared and submitted the required information and securities market related statistics for the purpose of Economic Survey of the fiscal year 2014/15 and Budget speech of fiscal year 2015/16.

Part-V

Securities Market Reforms, Development Initiatives and Challenges

5.1 Reform and Development Initiatives

SEBON, an apex regulator of Nepalese securities market which is still in pre-emerging stage, has been taking various securities market reforms and development initiatives in regulating and managing the activities of the securities markets and persons involved in the business of dealing in securities, regulating the issuance, purchase, sale and exchange of securities thereby assisting for an effective and efficient capital mobilisation for economic development of nation. In the review year, with the lead role of SEBON, directives issued and developmental activities carried out in the securities market are as follows:

- SEBON introduced mandatory provision of trading of full-fledged dematerialised share since Mid-January 2016 thereby implementing full automation (transaction, ownership transfer and clearing automation) system as earlier the trading system was only automated. With commencement of full-fledged dematerialised trading, transfer and clearing system, Nepalese securities market has entered into the modernisation stage at par with other South Asian countries.
- A technical study was conducted to introduce Citizen Investment trust (CIT) as an institutional investor with an objective to stabilise the securities market.
- Market Depth was made accessible to all investors to get informed about the demand and supply of securities while buying and selling securities.
- SEBON forwarded the draft of amendment in Securities Businesspersons (Stockbroker, Dealer and Market Maker) Regulations, 2008 with downward revision of the brokerage commission - the highest in all SAARC Countries, to Nepal Government, Ministry of Finance for approval in the review year.
- SEBON made a provision to operate one depository company to be owned and operated by at least 10 stockbrokers for providing effective depository services in view of increased demand of depository services and limited capacity and technology of existing depository members.
- Draft of Securities Issue and Registration Regulations, 2008 with specifying features such as free pricing provision, provision to issue bond at local currency by international financial institution was prepared and submitted to Nepal Government, Ministry of Finance for approval.
- SEBON directed listed companies to notify the price sensitive information immediately to NEPSE and also directed NEPSE to verify the information and make it accessible to all investors by publishing it in the standard format.

- SEBON coordinated different study visits to various securities businesspersons to observe the development undertaken in developing capital market like India, Bangladesh and Malaysia with an objective to gain knowledge about their business scope and prospects and to improve quality of services as well. A study was conducted on "Continuing Professional Development" and based on the study report directives relating to continuing professional development programme has been drafted to develop the capabilities of securities businessperson.
- SEBON conducted four interaction programmes with the participation of Ministry of Finance, Nepal Stock Exchange Limited, CDS and Clearing Limited, Investors and other stakeholders of capital market. As per the suggestions and inputs received in the interaction programmes, SEBON undertook several initiatives to develop the capital market and gave high priority to handle grievances of investors in the review year.
- SEBON directed listed companies and merchant banker to credit the right share and bonus share in DEMAT account of shareholders as trading of dematerialised securities has been made mandatory since Mid-January 2016. Similarly listed companies were directed to deposit cash dividend and refund non-allotted amount of public offerings directly to shareholders and applicants bank account.
- In order to prevent fake applicants in primary issue and promote the interest of general investors in the capital market, SEBON issued directives which prevents collection centre of primary issue to accept single account payee cheque for more than one application except for the application of same family member. Similarly, it was made mandatory to publish the prospectus of securities issue, provisions and information related to right issue, offer documents in the web page of SEBON, issue relating merchant banker and issuing corporate bodies.
- SEBON mandated the applicants to mention their DEMAT account number in application form while investing in public offering with effect from Mid-July 2016 in Kathmandu Valley and from Mid-January 2017 all over Nepal and merchant bankers were directed to deposit the allotted share in the respective DEMAT account as well.
- As modern technologies are being used in international capital market, SEBON directed NEPSE to introduce trading software which is tested in other capital market and is compatible with international standard in order to facilitate cross border listing and trading and making credible environment for Non Residential Nepalese and foreign investors to get attracted to Nepalese securities market.
- In order to systematise clearing and settlement process of securities transactions and to make it trustable to all investors, SEBON directed CDS and Clearing Ltd. to prepare the necessary manual for the operation of Settlement Guarantee Fund as laid down in byelaw 46 of Securities Transactions Clearing and Settlement Byelaws, 2012 and to send it to SEBON for approval.
- Considering the implementation of existing Securities Listing Byelaws, 1996 since long time and during this period Securities Act, 2006 has been enacted, capital base of listed companies has been increased, full-fledged dematerialised trading system has been commenced, SEBON directed NEPSE to prepare the draft of new Listing Byelaws and send it to SEBON for approval.
- In the context of low financial literacy, dominance of retail investors and lack of institutional investors, SEBON informed all investors to invest in securities market only after analysing macro-economic condition of the country, analysing every aspect of companies or industries to be invested, studying technical aspect and status of securities market and changes and development initiatives taken in securities market through three press releases in review year.

- Considering the increased demand of secondary market services of securities day by day all over the country as well as considering the capacity of NEPSE, SEBON directed NEPSE to form workforce including related parties to perform the essential functions for opening branches of stockbrokers or providing new stockbroker license in feasible areas outside Kathmandu valley.
- SEBON directed securities businesspersons to maintain citizen charter in order to provide information regarding their services.
- SEBON directed stockbrokers to maintain a separate trading window to ease the trading for small investors including women, children and disabled persons.
- SEBON directed to all issue managers to make the right offerings, auction process more informative, fair and transparent to the general investors.
- SEBON recruited 19 officer level and eight assistant level employees and provided five days pre-service training to all new employees.

5.2 Issues and Challenges

Investors' confidence has increased in global securities market as various measures like strengthening regulatory provision, improving corporate governance practices and focusing on investors' education and awareness were initiated after the global financial crisis. In this context, Nepalese securities market is still in pre-emerging stage and highly volatile despite its two decades' institutional development. With this, making Nepalese securities market fair, efficient, transparent, credible, dynamic, investor friendly has been highly challenging. The major issues and challenges for sustainable development of Nepalese securities market relating to policy, technology, institutional, structural and legal aspects are as follows:

- Liberal economic policy is the pre-requisite of securities market development. However, frequent change in government policy has negatively affected the dynamism of securities market development. In this regard, it is challenging to attain sustainable development of securities market with the stability in policy.
- It is a challenging job to bring structural change on the only and government owned NEPSE through corporatisation and privatisation in order to make Nepalese secondary market competitive and professional. Similarly, challenge also lies in the reforms and development of CDSC with the structural change as it is a subsidiary company of NEPSE.
- Attaining operational autonomy by enhancing regulatory, supervisory capacity and organisational efficiency is a major challenge faced by SEBON.
- After successful implementation of full-fledged dematerialised trading system, providing access in securities market all over the country to mobilise scattered savings is a challenging job.
- It is difficult to fully modernise the primary market of securities by introducing provision of Investor Identification Number to identify investors and to facilitate their transactions.
- As there is no direct regulatory body of hydropower companies, there is dilemma in investors related to ownership transfer and corporate governance of such companies after 30 years from the period of obtaining operating license has become the burning issue on such companies.
- Entry of real sector in securities market seems indispensable so that securities market indicators could show the true picture of national economy. In this context, it has been challenging to

attract real sector in securities market by enhancing their financial transparency and governance, provisioning incentives in fiscal and monetary policies and provisioning the free pricing system in IPOs.

- It is essential to develop the investment guidelines and infrastructure to attract NRN and foreign institutional investors. Similarly, it is also essential to enhance competitive and professional capacity of stock exchange and stockbroker by attracting foreign technology and investment in these sectors which is challenging.
- Institutional investors play significant role to stabilise the market thereby making it more systematic. However, there is no participation of such investors in Nepalese securities market as expected. In this context, there is a challenge to develop the Citizen Investment Trust in the role of institutional investor.
- Since common stock is widely used as an investment alternative in Nepalese securities market, diversifying securities market instruments and developing effective bond market and OTC market by introducing various securities market instruments is a challenging job.
- There is challenge to expand the Nepalese securities market in SAARC region through cross border listing and trading by enhancing the capabilities and operational scope of all securities market participants including regulatory capacity.
- It is not easy to formulate and enact the trust act and other acts to strengthen the CDS and mutual fund and to bring structural reforms in legal system.
- It is essential to establish Securities Market Training Institute to educate general investors and securities businesspersons by conducting financial literacy and training programmes that contribute to the sustainable development of Nepalese securities market.
- Other challenges that lie in Nepalese securities market are developing good corporate governance practices of listed companies and securities businesspersons, developing derivative market, standardising the listing process and market capitalisation calculation, making the services of securities businesspersons more standard, professional and competitive, introducing venture capital/ private equity, developing competitive environment in credit rating business.

Annex-1: Share Registration and Prospectus Approval

SN	Company	Amount of securities registered	Amount of Public Issue	Approval Date	Issue Manager	Remarks
Commercial Bank						
1	Nepal Investment Bank Ltd	5,450,702,188	5,450,702,188	7 th Feb 2016	Citizen Investment Trust	FPO
Development Bank						
1	Mero Microfinance Bitty Sanstha Ltd	200,000,00	61,200,000	12 th Jan 2016	Global IME Capital Ltd	
2	Green Development Bank Ltd	100,000,000	45,000,000	8 th May 2016	NIBL Capital Market Ltd	
3	National Microfinance Bitty Sanstha Ltd	100,000,000	30,000,000	6 th June 2016	NIBL Capital Market Ltd	
4	Suryodaya Laghubitta Bitty Sanstha Ltd	40,000,000	12,000,000	28 th June 2016	Global IME Capital Ltd	
5	RSDC Laghubitta Bitty Sanstha Ltd	100,000,000	40,000,000	1 st July 2016	NIBL Capital Market Ltd	
Finance Company						
1	Reliance Lotus Finance Ltd	51,428,600	51,428,600	21 th Nov 2016	NCM Merchant Banking Ltd	FPO
Hydro-power						
1	Hydroelectricity Investment & Development Company Ltd.	10,000,000,000	2,000,000,000	13 th Sep 2016	Citizen Investment Trust	
2	Ngadi Groups Power Ltd.	486,868,000	48,686,800	30 th Oct 2015	NIBL Capital Market Ltd	For Local people
	Ngadi Groups Power Ltd.		97,373,700	1 st March 2016	NIBL Capital Market Ltd	
3	ArunKabeli Power Ltd	1,200,000,000	150,000,000	4 th May 2016	Siddhartha Capital Ltd	For Local People
4	KhaniKhola Hydropower Co.Ltd	93,142,900	93,142,900	11 th May 2016	Civil Capital Market Ltd	
5	Dibyashwari Hydropower Ltd	39,600,000	39,600,000	14 th June 2016	Ace Capital Ltd	
6	Synergy Power Development Ltd.	490,000,000	70,000,000	12 th July 2016	Civil Capital Market Ltd	
Insurance Company						
1	Shikhar Insurance Co. Ltd	332,142,200	332,142,200	20 th Nov 2016	NIBL Capital Market Ltd	FPO

Annex-2: Right Share Registration and Issuance

SN	Company	Ratio	Issued Amount in Rs	Approval Date	Issue Manager
Commercial Banks					
1	Machhapuchhre Bank Ltd	5:1	555,250,093	3 rd Aug 2015	Nabil Investment Banking Ltd
2	Century Commercial Bank Ltd	4:1	530,000,000	28 th Sep 2015	Civil Capital Markets Ltd
3	Sunrise Bank Ltd	100:15	369,047,300	18 th Dec 2015	Civil Capital Markets Ltd
4	Prabhu Bank Ltd	10: 2	641,777,000	3 rd Jan 2016	Nabil Investment Banking Ltd
5	NIC ASIA Bank Ltd	4:1	923,754,000	4 th May 2016	Civil Capital Markets Ltd
6	Sanima Bank Ltd	2:1	1,530,144,000	29 th May 2016	Nabil Investment Banking Ltd
7	Citizen Bank International Ltd	10:5.5	1,685,878,600	29 th May 2016	Global IME Capital Ltd
8	Mega Bank Nepal Ltd	4:1	810,143,800	15 th July 2016	Global IME Capital Ltd
Development Bank					
1	NagbeliLaghubittaBikas Bank Ltd	4:1	5,000,000	17 th July 2016	NMB Capital Ltd
2	GaumukheeBikas Bank Ltd	2:0.75	16,848,000	4 th Aug 2015	NMB Capital Ltd
3	Mission Development Bank Ltd	2:1	57,500,000	8 th Sep 2015	Vibor Capital Ltd
4	KakrebiharBikas Bank Ltd	1:0.5	17,250,000	11 th Sep 2015	Growmore Merchant Banker Ltd
5	SanakisanBikas Bank Ltd	2:1	115,341,200	16 th Oct 2015	Nabil Investment
6	Kanchan Development Bak Ltd	4:1	33,000,000	3 rd Nov 2015	Global IME Capital Ltd
7	Excel Development Bank Ltd	4:1.0370	52,500,000	1 st Dec 2015	ACE Capital Ltd
8	Innovative Development Bank Ltd	3:2	100,000,000	9 th Dec 2015	NMB Capital Ltd
9	GandakiBikas Bank Ltd	10: 3	105,600,000	24 th Dec 2015	Global IME
10	ShubhechhaBikas Bank	3:1	50,085,200	5 th Jan 2016	ACE Capital Ltd
11	Shangri-la Development Bank Ltd	4:1	184,000,000	12 th Jan 2016	NMB Capital Ltd
12	Tinau Bikas Bank Ltd	4:1	54,619,250	8 th Feb 2016	Siddhartha Capital Ltd
13	Jhimruk Bikas Bank Ltd	10:1	4,850,000	22 nd Feb 2016	Growmore Merchant Banker Ltd

SN	Company	Ratio	Issued Amount in Rs	Approval Date	Issue Manager
14	Karnali Development Bank	2:1	40,000,000	14 th March 2016	Growmore Merchant Banker Ltd
15	Nepal Community Development Bank Ltd	1:1	100,000,000	19 th April 2016	NIBL Capital Market Ltd
16	Sindhu Bikas Bank Ltd	1:1	120,937,500	9 th June 2016	NIBL Capital Market Ltd
17	Cosmos Development Bank Ltd	1:1	50,312,500	21 st June 2016	Civil Capital Ltd
18	Alpine Development Bank Ltd	3:2.084745763	82,000,000	22 nd June 2016	NMB Capital Ltd
19	Mithila LaghubittaBikas Bank Ltd	2:1	16,974,000	5 th July 2016	Civil Capital Ltd
20	ManasluBikas Bank Ltd	2:1	91,764,750	6 th July 2016	Growmore Merchant Banker Ltd
21	Womi Microfinance Ltd.	2:1	18,000,000	11 th July 2016	Siddhartha Capital Ltd
22	Purnima Bikash Bank Ltd.	2:1	100,854,359	13 th July 2016	Siddhartha Capital Ltd
Finance Company					
1	Kathmandu Finance Ltd	1:1	183,776,300	29 th Sep 2015	NIBL Capital Markets
2	ICFC Finance Ltd	2:1	213,484,500	29 th Sep 2015	Global IME Capital Ltd
3	Srijana Finance Ltd	2:1	67,200,000	23 rd Dec 2015	NCM Merchant Banking Ltd
4	United Finance Ltd	4:1	115,983,613	22 nd June 2016	Nabil Investment Banking Ltd
Hydro-power Company					
1	Ridhi Hydropower Development Co. Ltd	10:3.5	115,500,000	5 th June 2016	Global IME Capital Ltd
Insurance Company					
1	Surya Life Insurance Co. Ltd	4:1	125,000,000	22 nd June 2016	Laxmi Capital Market Ltd
2	NB Insurance Ltd.	10:8	120,000,000	12 th July 2016	Global IME Capital Ltd

Annex-3: Registration of Promoter Share

SN	Company	Registered Amount in Rs	Registered date
1	NB Insurance Company Limited	80,000,000	21 st March 2016

Annex-4: Bonus Share Registration

S.N.	Name of Company	Amount	Date of Registration
Commercial Banks			
1	Century Commercial Bank Ltd.	120,000,000	17 th July 2015
2	KrishiBikas Bank Ltd.	231,000,000	14 th Aug 2015
3	Nepal Credit & Commerce Bank Ltd.	558,600,000	25 th Aug 2015
4	Citizens Bank International Ltd.	510,872,300	19 th Jan 2016
5	Nepal Investment Bank Ltd	1,577,367,500	8 th Feb 2016
6	Nabil Bank Ltd.	1,098,915,600	8 th Feb 2016
7	Sanima Bank Ltd	510,629,700	16 th Feb 2016
8	Nepal Bangladesh Bank Ltd	607,842,200	24 th Feb 2016
9	Global IME Bank Ltd	1,152,667,836	3 rd March 2016
10	Everest Bank Ltd	605,216,300	10 th March 2016
11	Himalayan Bank Ltd	1,166,445,000	20 th March 2016
12	Prime Commercial Bank Ltd	565,209,500	24 th March 2016
13	NIC Asia Bank Ltd	1,036,731,000	23 rd March 2016
14	Civil Bank Ltd	194,929,836	20 th Apr 2016
15	Siddhartha Bank Ltd	406,236,000	24 th Apr 2016
16	NMB Bank Ltd	332,364,700	27 th Apr 2016
17	Mega Bank Nepal Ltd	260,960,000	5 th May 2016
18	Nepal SBI Bank Ltd	825,545,700	5 th May 2016
19	Nepal Credit & Commerce Bank Ltd.	324,576,000	8 th May 2016
20	Sunrise Bank Ltd	528,967,800	12 th May 2016
21	Kumari Bank Ltd	267,205,200	8 th June 2016
22	Bank of Kathamandu	551,255,200	1 st July 2016
23	Lumbini Bank Ltd	300,125,000	4 th July 2016
Development Bank			
1	Summit Micro Finance Development Bank Ltd.	7,280,000	17 Aug 2015
2	Tourism Development Bank Ltd.	38,400,000	31 st July 2016
3	Professional DiyaloBikas Bank Ltd.	2,00,000,000	31 st July 2016
4	PathibharaBikas Bank Ltd.	26,450,000	14 th Aug 2015
5	SahayogiBikas Bank Ltd.	37,149,800	14 th Aug 2015
6	KabeliBikas Bank Ltd.	6,880,000	17 Aug 2015
7	JyotiBikas Bank Ltd.	55,426,000	3 rd Sep 2015
8	NirdhanUtthan Bank Ltd.	95,988,200	13 rd Sep 2015
9	Ace Development Bank Ltd.	57,917,600	5 th Oct 2015
10	Araniko Development Bank Ltd.	11,161,500	14 th Oct 2015
11	Country Development Bank Ltd.	12,800,000	9 th Nov 2015
12	JhimrukBikas Bank Ltd.	8,500,000	1 st Dec 2015
13	HamroBikas Bank Ltd.	4,207,000	1 st Dec 2015

14	TinauBikas Bank Ltd.	33,327,000	3 rd Dec 2015
15	International Development Bank Ltd.	64,000,000	1 st Dec 2015
16	Western Development Bank Ltd.	21,800,000	8 th Dec 2015
17	Purnima Bikas Bank Ltd.	26,125,000	15 th Dec 2015
18	Kakrebihar Bikas Bank Ltd.	3,450,000	18 th Dec 2015
19	First Microfinance Development Bank Ltd	30,000,000	18 th Jan 2016
20	Sindhu Bikas Bank Ltd	13,437,500	28 th Jan 2016
21	Cosmos Development Bank Ltd	6,562,500	8 th Feb 2016
22	Nirdhan Utthan Bank Ltd.	163,940,900	8 th Feb 2016
23	Kailas Bikas Bank Ltd	214,877,600	8 th Feb 2016
24	Chhimek Laghubitta Bikas Bank Ltd	170,213,600	16 th Feb 2016
25	Business Universal Development Bank Ltd	121,509,700	16 th Feb 2016
26	Pacific Development Bank Ltd	21,081,600	16 th Feb 2016
27	Sworojgar Laghubitta Bikas Bank Ltd	13,680,000	3 rd March 2016
28	Kanchan Development Bank Ltd	33,000,000	3 rd March 2016
29	SahayogiBikas Bank Ltd.	56,410,700	21 st March 2016
30	Garima Bikas Bank Ltd	142,200,000	21 st March 2016
31	Swabalamban LaghubittaBikas Bank Ltd	92,567,400	20 th March 2016
32	Manaslu Bikas Bank Ltd	21,829,500	27 th March 2016
33	Bagmati Development bank Ltd	7,500,000	28 th March 2016
34	Kamana Bikas Bank Ltd	111,195,800	30 th March 2016
35	Tourism Development Bank Ltd	108,544,000	30 th March 2016
36	Sahara Bikas Bank Ltd	3,600,000	30 th March 2016
37	Ace Development Bank Ltd.	115,090,500	30 th March 2016
38	Mount Makalu Development Bank Ltd	6,000,000	1 st May 2016
39	Paschimanchal Development Bank Ltd	33,673,700	1 st May 2016
40	Deprosc LaghubittaBikas Bank Ltd	85,974,600	1 st May 2016
41	Sewa Bikas Bank Ltd	64,915,200	4 th May 2016
42	Womi Microfinance Ltd	6,000,000	4 th May 2016
43	International Development Bank Ltd.	66,880,000	8 th May 2016
44	Mithila LaghubittaBikas Bank	5,658,000	8 th May 2016
45	Miteri Development Bank Ltd	48,755,520	12 th May 2016
46	Reliable Microfinance (BittiyaSanstha) Ltd	6,500,000	12 th May 2016
47	Summit Micro Finance Development Bank Ltd.	14,720,000	18 th May 2016
48	Metro Development Bank Ltd	35,277,100	18 th May 2016
49	Sanakisan Bikas Bank Ltd	57,670,600	18 th May 2016
50	LaxmiLaghu BittiyaSanstha Ltd	10,000,000	23 rd May 2016
51	Ekata Bikas Bank Ltd	27,740,000	29 th May 2016
52	Tribeni Bikas Bank Ltd	79,929,300	29 th May 2016
53	Siddhartha Development Bank	70,950,000	29 th May 2016
54	Infrastructure Development Bank	113,372,200	29 th May 2016
55	Kankai Bikas Bank Ltd	25,000,000	29 th May 2016
56	Muktinath Bikas Bank Ltd	198,407,700	30 th May 2016

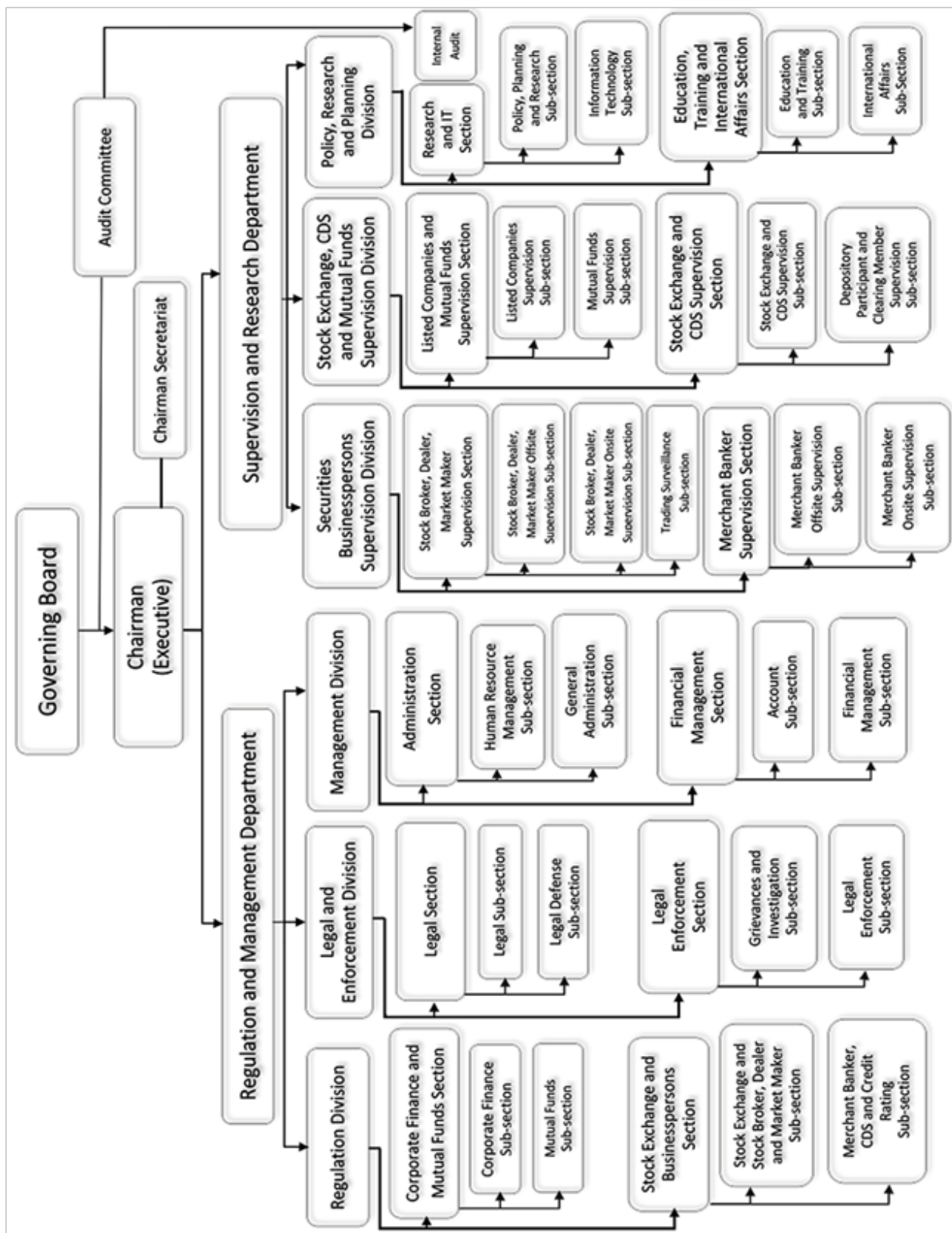
57	NMB Microfinance Bittiya Sanstha Ltd	6,000,000	1 st June 2016
58	JyotiBikas Bank Ltd.	76,250,300	8 th June 2016
59	Rural Microfinance Development Center Ltd	57,200,000	8 th June 2016
60	Western Development Bank Ltd.	26,160,000	15 th June 2016
61	Araniko Development Bank Ltd.	23,439,200	21 th June 2016
62	Central Finance Ltd	61,380,000	22 nd June 2016
63	Deva Bikas Bank Ltd	62,993,300	28 th June 2016
64	Gandaki Bikash Bank Ltd	80,960,000	28 th June 2016
65	Fewa Bikash Bank Ltd.	178,784,600	4 th July 2016
66	Purnima Bikas Bank Ltd.	38,083,700	10 th July 2016
67	Birat Laxmi Bikash Bank Ltd.	85,071,600	10 th July 2016
68	Subhechha Bikash Bank Ltd.	26,970,860	13 th June 2016
69	Excel Development Bank Ltd.	52,650,000	13 th June 2016
70	Innovative Development Bank Ltd.	40,500,000	13 th June 2016
Finance Company			
1	Jebil's Finance Ltd.	20,000,000	31 st July 2015
2	Multipurpose Finance Co.Ltd.	3,750,000	17 th Aug 2015
3	Kaski Finance Ltd	48,947,900	28 th Jan 2016
4	Narayani National Finance Ltd	122,376,600	5 th Feb 2016
5	Unique Finance Ltd	15,610,000	16 th Feb 2016
6	Everest Finance Ltd	16,888,300	24 th Feb 2016
7	Goodwill Finance Ltd (Bittiya Sanstha)	33,065,200	3 rd March 2016
8	Janaki Finance Co. Ltd (Bittiya Sanstha)	62,156,000	3 rd March 2016
9	Nepal Express Finance Ltd	34,253,700	15 th March 2016
10	Guheswori Merchant Banking & Finance Ltd	38,340,100	20 th March 2016
11	Manjushree Financial Institution Ltd	25,650,000	29 th March 2016
12	Mahalaxmi Finance Ltd	63,000,000	29 th March 2016
13	Shree Investment and Finance Co.Ltd	22,880,000	26 th April 2016
14	Pokhara Finance Ltd	160,399,200	28 th April 2016
15	Jebil's Finance Ltd.	36,850,000	29 th April 2016
16	United Finance Ltd	60,435,700	8 th May 2016
17	Hama Merchant Bank Ltd	21,000,000	29 th May 2016
18	Central Finance Ltd	61,380,000	12 th July 2016
19	Seti Finance Ltd.	7,792,400	10 th July 2016
Insurance Company			
1	National Life Insurance Co. Ltd.	235,182,900	14 th Aug 2015
2	Asian Life Insurance Co.Ltd.	148,569,600	17 th Aug 2015
3	Nepal Life Insurance Ltd.	650,250,000	13 th Sep 2015
4	Siddharth Insurance Ltd.	25,080,000	29 th Oct 2015
5	Premier Insurance Co. Nepal Ltd.	35,307,300	7 th Dec 2015
6	Sagarmatha Insurance Co.Ltd.	46,505,700	18 th Dec 2015
7	Neco Insurance Ltd	31,777,100	29 th Jan 2016
8	NLG Insurance Co.Ltd	68,310,000	20 th March 2016

9	Prabhu Insurance Ltd	35,262,200	26 th April 2016
10	Neco Insurance Ltd	42,266,550	4 th May 2016
11	LumbiniGeneral Insurance Co. Ltd	38,125,100	1 st June 2016
12	Shikhar Insurance Co.Ltd	101,107,500	2 nd June 2016
13	Siddhartha Insurance Ltd	68,970,000	2 nd June 2016
14	Premier Insurance Co. Nepal Ltd.	86,250,700	15 th June 2016
15	Nepal Insurance Co.Ltd	23,805,000	15 th June 2016
16	Life Insurance Corporation (Nepal) Ltd.	213,890,625	14 th July 2016
Hydro-power Company			
1	ChilimeJalbidhutCo.Ltd	408,844,800	23 rd March 2016
Hotels			
1	Oriental Hotels Ltd.	109,962,000	29 th May 2016
2	Solti Hotel Ltd	105,308,380	28 th April 2016
3	Oriental Hotels Ltd.	50,000,000	16 th July 2016
Trading			
1	Salt Trading Corporation Ltd.	6,500,400	30 th July 2016

Annex-5: Registration of Mutual Fund

SN	Scheme	Approved Amount in Rs	Date of Approval	Fund Sponsor
1	Global IME Samunnat Scheme-1	1,000,000,000	27 th Jan 2016	Global IME Capital Ltd

Annex-6: Organisational Structure of SEBON



Annex-7: Balance Sheet
Securities Board of Nepal
Jawalakhel, Lalitpur, Nepal
As on 15th July 2016

Particulars	15th July 2016 (Rs)	15th July 2015 (Rs)
Fund and Reserves		
Fund and Reserves	385,519,062.37	267,362,439.31
Total	385,519,062.37	267,362,439.31
Assets		
Fixed Assets		
At Cost	32,854,098.53	27,438,942.34
Less: Depreciation	23,374,511.51	23,671,086.52
Net Fixed Assets	9,479,587.02	3,767,855.82
Investment	447,107,382.47	308,127,825.93
Current Assets		
Bank Balance	13,861,248.47	42,891,212.38
Deposits, Advances & Prepayments	10,051,290.50	9,592,360.58
Income Receivable	27,885,283.31	10,957,476.87
Total Current Assets	51,797,822.28	63,441,049.83
Less: Current Liabilities	77,715,217.09	61,029,869.77
Less: Provision	45,150,512.30	46,944,422.48
Net Current Assets	(71,067,907.11)	(44,533,242.42)
Total	385,519,062.38	267,362,439.33

Annex-7(a): Income Statement

Securities Board of Nepal
 Jawalakhel, Lalitpur, Nepal
 17th July 2015- 15th July 2016

Particulars	FY 2015/16 (Rs)	FY 2014/15 (Rs)
Income		
Income from Securities Market	157,379,565.98	87,723,483.93
Interest Income	18,770,153.61	16,104,230.59
Other Income	220,295.08	1,246,886.73
Total Income	176,370,014.67	105,074,601.25
Expenses		
Staff Expenses	23,508,323.49	29,542,583.54
Administrative Expenses	33,207,784.63	19,419,299.79
Depreciation	1,497,286.57	2,103,184.38
TDS Written Off	-	-
Prime Minister's Disaster Relief Fund Expenses	-	5,500,000.00
Total Expenditure	58,213,394.69	56,565,067.71
Surplus of Income over Expenditure	118,156,619.98	48,509,533.54
Surplus transferred to income statement	118,156,619.98	48,509,533.54
Allocation		
Renewal Fund	29,539,154.99	12,127,383.38
Staff Protection Fund	5,000,000.00	-
General Reserve	71,801,802.98	31,531,196.80
Staff Welfare Fund	11,815,662.00	4,850,953.35
Total Allocation	118,156,619.97	48,509,533.53

Annex-7(b): Income Statement

Securities Board of Nepal

Jawalakhel, Lalitpur, Nepal

17th July 2015- 15th July 2016

Particulars	FY 2015/16 (Rs)	FY 2014/15 (Rs)
Cash Flow From Operating Activities		
Net Surplus before Appropriation	118,156,622.46	48,509,533.54
Add: Depreciation	1,497,286.57	2,103,184.38
Add: Gratuity Expenses	2,499,569.07	7,320,460.00
Add: Medical Expenses	896,274.10	2,670,932.60
Add: Provision for staff leave encashment	-	-
Add: Provision for staff protection expenses	(5,189,753.35)	2,965,269.61
Less: Income from sale of fixed assets	-	-
Less: Income booked under SDMS grant	-	(1,072,445.35)
Less: Interest Income	(18,770,153.61)	(16,104,230.59)
Operating Cash Flow before working capital changes	99,089,845.24	46,392,704.19
Increase/Decrease in Current Assets	(15,770,449.00)	(3,021,877.99)
Increase/Decrease in Current Liabilities	16,685,347.32	34,775,602.25
Payment to Staff Welfare Fund	-	(4,500,000.00)
Payment to Prime Minister Disaster Relief Fund	-	(5,500,000.00)
Cash Flow From Operating Activities	100,004,743.56	73,646,428.45
Cash Flow from Investment Activities		
Interest Income	18,770,153.61	16,104,227.93
Add: Accrued Interest of Last Year	2,602,824.75	3,288,055.70
Less: Accrued Interest of Current Year	(4,219,112.11)	(2,602,824.75)
Net Cash Flow from Interest Income	17,153,866.25	16,789,458.88
Less: Purchase of Fixed Assets	(7,209,017.18)	(191,187.50)
Add: Sale of Fixed Assets	-	-
Less: Decrease/Increase in Investment	(138,979,556.54)	(79,228,396.58)
Net Cash Flow from Investment Activities	(129,034,707.47)	(11,016,303.25)
Net Increase/Decrease in Cash & Cash Equivalent	(29,029,963.91)	11,016,303.25
Cash and Cash Equivalent at beginning	42,891,212.38	31,874,909.13
Cash and Cash Equivalent at the end of period	13,861,248.47	42,891,212.38

Annex-8: List of Merchant Bankers

SN	Company	area	Date of license	Address
1	NCM Merchant Banking Ltd	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	12 th Oct 2010	Kamalpokhari, Contact No. 4428550,4428660 Fax : 4428688
2	Ace Capital Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	23 rd Aug 2010	Lal Darbar, Kathmandu Contact no. 4426161 Fax no. 4426133
3	NMB Capital Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	23 rd Aug 2010	Naksal, Kathmandu Contact no: 4253096 Fax: 4251544
4	Citizen Investment Trust	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar 	5 th Feb 2009, 29 th Jan 2012	New Baneshwor Contact No: 4785321/4785319 Fax: 4785320
5	Global IME Capital Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar 	7 th Sep 2008	Jamal, Kathmandu Contact No: 422640 Fax: 4222534
6	Vibor Capital Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	27 th July 2010	KrishnaGalli, Lalitpur Contact No: 5554793/5554794
7	Civil Capital Market Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	6 th April 2009, 6 th Jan 2011	Kamaladi, Kathmandu Contact : 4168654/416664 Fax: 4168734
8	Beed Invest Limited	Portfolio Management	4 th June 2009	KrishnaGalli, Lalitpur Contact: 5548400 Fax: 5548405
9	Prabhu Capital Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	20 th July 2009, 9 th Sep 2010	Kamaladi, Kathmandu Contact: 4221946/4221952 Fax: 4222802
10	NABIL Investment Banking Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	27 th April 2010	Naxal, Kathmandu Contact: 4411604,4411733 Fax: 4410554

11	Laxmi Capital Market Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	28 th Dec 2010	Pulchowk, Lalitpur Contact: 5551363,5551463 Fax: 5537743
12	NIBL Capital market Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	18 th June 2012	Lazimpat, Kathmandu Contact: 4005080 Fax: 4005084
13	Kriti Capital and Investment Limited	Portfolio Management	27 th July 2013	RaviBhawanm Kathmandu Contact: 4276786,4281776 Email: kriticapital@gmail.com
14	Equity and Assets Investment Limited	Portfolio Management	15 th Dec 2014	New Baneshwor, Kathmandu Contact : 4781501,6201789 Email: info@equityandassets.com
15	National Merchant Banker Limited	Portfolio Management	4 th Feb 2015	Kalikaasthan, Kathmandu Contact: 4430746 Email: info@nmb.com.np
16	Siddhartha Capital Limited	<ul style="list-style-type: none"> • Issue Manger • Underwriter • Share registrar • Portfolio Management 	11 th June 2015	Babarmahal, Kathmandu Contact: 4257767,4257768 Fax: 4257764
17	Provident Merchant Banker Limited	<ul style="list-style-type: none"> • Share registrar • Portfolio Management 	20 th June 2016	Pepsicola, Kathmandu Contact: 4993450,5147097 Fax: 4993450

Annex-9: List of Stockbrokers

S.N.	Stockbroker Name	B.N.	Address	Phone	Fax
1	Kumari Securities Service Pvt. Ltd.	1	DilliBazaar, KTM	4418036	4423689
2	Arun Securities pvt ltd	3	PutaliSadak, KTM	4239567	4239565
3	Opal Securities Pvt. Ltd.	4	Baluwatar, KTM	4423509	4423509
4	Market Securities Exchange Co. Pvt. Ltd.	5	Newroad, KTM	4248973	4249558
5	Agrawal Securities Pvt. Ltd.	6	DilliBazaar, KTM	4424406	4424657
6	J F Securities Pvt. Ltd.	7	PutaliSadak, KTM	4256099	4433673
7	Aasutosh Brokerage & Securities Pvt. Ltd.	8	Newroad, KTM	4227510	4240162
8	Pragyan Securities Pvt. Ltd.	10	Kamaladi, KTM	4413392	4415958
9	Malla&Malla Stock Broking Co. Pvt. Ltd.	11	DilliBazaar, KTM	4432088	4425750
10	Thrive Brokerage House Pvt. Ltd.	13	Naxal, KTM	4419051	4416018
11	Nepal Stock House Pvt. Ltd.	14	Anamnagar, KTM	4265888	4255732
12	Primo Securities Pvt. Ltd.	16	PutaliSadak, KTM	4168175	4168214
13	ABC Securities Pvt. Ltd.	17	Newroad, KTM	4230787	4226507
14	Sagarmatha Securities Pvt. Ltd.	18	PutaliSadak, KTM	4439315	4439315
15	Nepal Investment & Securities Trading Pvt. Ltd.	19	Baneshwor, KTM	4495450	4490727
16	Sipla Securities Pvt. Ltd.	20	Newroad, KTM	4255782	4255078
17	Midas Stock Broking Co. Pvt. Ltd.	21	Kamaladi, KTM	4240089	4240115
18	Siprabi Securities Pvt. Ltd.	22	Kupondol, Lalitpur	5530701	5011206
19	Sweta Securities Pvt. Ltd.	25	PutaliSadak, KTM	4444791	4416936
20	Asian Securities Pvt. Ltd.	26	PutaliSadak, KTM	4424351	4431395
21	Shree Krishna Securities Ltd.	28	Dillibazar, KTM	4441225	4431592
22	Trishul Securities & Investment Ltd.	29	PutaliSadak, KTM	4440709	4438197
23	Premier Securities Co. Ltd.	32	PutaliSadak, KTM	4231339	4266422
24	Daksinkali Investment & Securities Pvt.Ltd.	33	Kamaladi, KTM	4168640	4168742
25	Vision Securities Pvt.Ltd.	34	Anamnagar, KTM	4770408	4438124
26	Kohinoor Investment & Securities Pvt.Ltd.	35	Kamalpokhari, KTM	4442858	4442857
27	Secured Securities Pvt.Ltd.	36	PutaliSadak, KTM	4262861	4224523
28	Swornalaxmi Securities Pvt.Ltd.	37	Kamalpokhari, KTM	4417178	4417177
29	DipshikhaDhitopatraKarobar Co. Ltd.	38	Anamnagar, KTM	4102532	4254490
30	Sumeru Securities Pvt.Ltd.	39	Hattisar, KTM	4444740	4424209
31	Creative Securities Pvt.Ltd.	40	PutaliSadak, KTM	4168205	4168203
32	Linch Stock Market Ltd.	41	New Baneshwor, KTM	4469367	4469068
33	Sani Securities Pvt.Ltd.	42	Jamal, KTM	4166005	4166006
34	South Asian Bulls Pvt.Ltd.	43	Kuleshwor, KTM	4284785	4284785
35	Dynamic Money Managers Securities Pvt.Ltd.	44	Kamalpokhari, KTM	4413421	4414522
36	Imperial Securities Co. Pvt. Ltd.	45	Anamnagar, KTM	4231004	4232344
37	Kalika Securities Co. Pvt.	46	PutaliSadak, KTM	4011074	4011144
38	Neev Securities Pvt.Ltd.	47	Kamaladi, KTM	4168601	4168573

S.N.	Stockbroker Name	B.N.	Address	Phone	Fax
39	Trisakti Securities Pvt.Ltd.	48	PutaliSadak, KTM	4232132	4232133
40	Online Securities Pvt.Ltd.	49	PutaliSadak, KTM	4168298	4246392
41	Crystal Kanchanjangha Securities Pvt.Ltd.	50	New Plaza, KTM	4011176	4011072
42	Oxford Securities Pvt.Ltd.	51	Kalimati, KTM	4273850	4278113
43	Sundhara Securities Pvt.Ltd.	52	Sundhara, KTM	4212215	4263583
44	Investment Management Nepal Pvt. Ltd.	53	Tripureshwor, KTM	4256589	4256590
45	Sewa Securities Pvt.Ltd.	54	Tripureshwor, KTM	4256642	4256644
46	Bhrikuti Stock Broking Co. Pvt. Ltd.	55	Newroad, KTM	4223466	4224648
47	Sri Hari Securities Pvt.Ltd.	56	Kamaladi, KTM	4437562	4437465
48	Aryatara Investment & Securities Pvt. Ltd.	57	Anamnagar, KTM	4233596	4233597
49	Naasa Securities Co Ltd	58	Naxal, KTM	4440384	4440385
50	Deevya Securities & Stock House Pvt. Ltd.	59	PutaliSadak, KTM	4421488	4422313

Annex-10: List of Depository Participants

SN	Name	Licensing Date	Address
Merchant Banker			
1	Civil Capital Market Ltd	27 th March 2012	Kamaladi, Kathmandu
2	Ace Capital Ltd	27 th March 2012	lalDurbar, Kathmandu
3	Laxmi Capital Market Ltd	6 th June 2012	PulChowk, Kathmandu
4	Nabil Investment Banking Ltd	6 th June 2012	Chabahil, Kathmandu
5	NMB Capital Ltd	6 th June 2012	Babarmahal, Kathmandu
6	NIBL Capital Ltd	17 th Sep 2012	Lazimpat, Kathmandu
7	NCM Merchant Banking Ltd	15 th Feb 2013	Kamalpokhari, Kathmandu
8	Global IME Capital Ltd	22 th April 2013	Jamal, Kathmandu
9	Gromore Merchant Banker Ltd	14 th May 2013	Durbarmarg, Kathmandu
10	Vibor Capital Ltd	30 th Sep 2014	KrishnaGalli, Kathmandu
11	Kriti Capital Investment Ltd	17 th Dec 2014	Ravibhawan, Kathmandu
Commercial Bank			
12	Everest Bank Ltd	13 th Oct 2012	Lazimpat, Kathmandu
13	Bank of Kathmandu	25 th Feb 2013	Kamalpokhari, Kathmandu
14	Janata Bank Ltd	26 th Sep 2014	New Baneshwor, Kathmandu
15	Citizen Bank International Ltd	29 th Sep 2014	Kamaladi, Kathmandu
16	NIC Asia Bank Ltd	30 th Sep 2014	Thapathali, Kathmandu
17	Prabhu Bank Ltd	1 st Dec 2014	Babarmahal, Kathmandu
18	Nepal Bangladesh Bank Ltd	3 rd Dec 2014	Kamaladi, Kathmandu
19	Century Commercial Bank Ltd	23 rd Aug 2015	Putalisadak, Kathmandu
20	Kumari Bank Ltd	24 th Sep 2015	Durbarmarg, Kathmandu
21	Nepal Credit and Commerce Bank Ltd	8 th Nov 2015	Bagbazar, Kathmandu
22	Nepal Bank Ltd	8 th Nov 2015	Dharmpath, Kathmandu
23	Kailash Bikash Bank Ltd		Putalisadak, Kathmandu
24	Machhapuchre Bank Ltd	29 th Jan 2016	Lazimpat, Kathmandu
25	Nepal SBI Bank Ltd	20 th March 2016	Hattisar, Kathmandu
26	Sanima Bank Ltd	25 th May 2016	Naxal, Kathmandu
Securities Broker			
27	TrishulSecurities and Investment Ltd	17 th Sep 2012	Putalisadak, Kathmandu
28	Secured securities Ltd	26 th Sep 2014	Putalisadak, Kathmandu
29	Trishakti Securities Pvt Ltd	26 th Sep 2014	Putalisadak, Kathmandu
30	Deepshikhadhitpotrakarobarco.pvt.ltd	26 th Sep 2014	Anamnagar, Kathmandu
31	Nepal Stock House Pvt Ltd	29 th Sep 2014	Anamnagar, Kathmandu
32	Dakchinkali Investment and Securities Pvt Ltd	30 th Sep 2014	Kamaladi, Kathmandu
33	South Asian Bulls Pvt Ltd	30 th Sep 2014	Kuleshwor, Kathmandu
34	Aarytara Investment and Securities Pvt Ltd	30 th Sep 2014	Anamnagar, Kathmandu
35	Online Securities Pvt Ltd	30 th Sep 2014	Putalisadak, Kathmandu
36	Sewa Securities Pvt Ltd	27 th Oct 2014	Tripeshwor, Kathmandu

SN	Name	Licensing Date	Address
37	Shree Krishna Securities Pvt Ltd	27 th Oct 2014	Dillibazar, Kathmandu
38	Agrawal Securities Pvt Ltd	28 th Oct 2014	Putalisadak, Kathmandu
39	Imperial Securities Co. Pvt Ltd	16 th Nov 2014	Anamnagar, Kathmandu
40	Primo Securities Pvt Ltd	18 th Nov 2014	Putalisadak, Kathmandu
41	Lynch Stock Market Ltd	18 th Nov 2014	New Baneshwor, Kathmandu
42	Asian Securities Pvt Ltd	18 th Nov 2014	Putalisadak, Kathmandu
43	Market Securities and Exchange Pvt Ltd	18 th Nov 2014	Khichapokhari, Kathmandu
44	Sumeru Securities Pvt Ltd	1 st Dec 2014	Hattisar, Kathmandu
45	Crystal Kanchanjungha Securities Pvt Ltd	1 st Dec 2014	New Plaza, Kathmandu
46	Kohinoor Investment and Securities Pvt Ltd	2 nd Dec 2014	Kamalpokhari, Kathmandu
47	Bhrikuti Stock Broking Company Pvt Ltd	2 nd Dec 2014	Jamal, Kathmandu
48	Creative Securities Pvt Ltd	4 th Dec 2014	Putalisadak, Kathmandu
49	Sipla Securities Pvt Ltd	4 th Dec 2014	Khichapokhari, Kathmandu
50	Vision Securities Pvt Ltd	4 th Dec 2014	Putalisadak, Kathmandu
51	Aashutosh Securities Pvt Ltd	11 th Dec 2014	Khichapokhari, Kathmandu
52	Sunny Securities Co Ltd	17 th Dec 2014	Jamal, Kathmandu
53	ABC Securities Pvt Ltd	22 th Dec 2014	New Road, Kathmandu
54	Shree hari Securities Pvt Ltd	27 th Jan 2015	Kamaladi, Kathmandu
55	Oxford Securities Pvt Ltd	6 th Feb 2015	Kalimati, Kathmandu
56	Dynamic Money Managers Pvt Ltd	9 th Feb 2015	Kamalpokhari, Kathmandu
57	Dibya Securities and Stock House Pvt Ltd	2 nd June 2015	Putalisadak, Kathmandu
58	Premier Securities Co Ltd	11 th Aug 2015	Putalisadak, Kathmandu
59	Midas Stock Broking Co. Pvt. Ltd	8 th Oct 2015	Kamaladi, Kathmandu
60	Nasa Securities Pvt Ltd	3 rd Dec 2015	Naxal, Kathmandu
61	Neev Securities Pvt Ltd	9 th Dec 2015	Kamaladi, Kathmandu
62	DP and Clearing House Ltd	19 th May 2016	Putalisadak, Kathmandu
Finance Company			
63	Guheswori Merchant Banking and Finance Ltd	19 th Sep 2015	Pulchowk, Kathmandu
64	Mahalaxmi Finance Ltd	5 th Nov 2015	Ramshahpath, Kathmandu
65	Sagarmatha Finance Ltd	29 th Jan 2016	ManBhawan, Kathmandu
Fund Manager			
66	Sidhartha Capital Ltd	2 nd May 2013	Babarmahal, Kathmandu

Board Family



First Row (Left to right): Shova Adhikari, Sashi Bhattarai (Aryal), Eliza Phuyal, Rajina Rai, Sarita Maharjan, Deepika Maskey, Saraswati GC, Bimala Pathak,

Second Row (Left to right) : Krishna Pd. Ghimire, Dr Nabaraj Adhakari, Binaya Dev Acharya, Niraj Giri, Dr Rewat Bd. Karki, Paristha Nath Poudel, Mukti Nath Shrestha, Krishna Raj Pokharel,

Third Row (Left to right) : Deepesh Banepali, Dipak Chhetri, Suraj Pradhananga, Rajan Khatiwada, Nabaraj Pandit, Arjun Pd. Dhakal, Shyamu Mandal, Raju Bd. GC, Dipesh Tamrakar, Tola Kanta Neupane, Shankar Pd. Rimal, Ambika Pd. Giri, Binod Paudyal, Niranjaya Ghimire, Ajaya Dhungana, Bharat Raj Aryal, Nawaraj Paudel,

Fourth Row (Left to right) : Depak Sharma, Ganesh Shrestha, Anuj Kumar Rimal, Rewat Shrestha, Binod Maharjan, Tej Pd. Devkota, Hari Pd. Bhusal, Narayan Pd. Sharma, Amir Thapa, Nahakul Bhattari, Gaurab Bista, Rupesh K.C., Narayan Paudel, Rajesh Lage



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