

## ANNEX -1

### Information of Rights Offering of the Respective Companies.

#### Commercial Banks:

##### a) Laxmi Bank Ltd.

Announcement date of rights offering	2064-09-30
Issue date	2065-01-19
Closed date	2064-09-16
Subscription Price	Rs.100 per share
Subscription Ratio	4:1
Number of Share issued	1830000
Issue Manager	NIDC Capital Markets Ltd.

**Table No.1**

#### Information about share price and index

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2064/08/16	1190(790.23)	2064/11/05	1043(650.89)	2065/04/01	1135(705.46)
2064/08/17	1309(795.60)	2064/11/08	961(640.23)	2065/04/02	1237(710.23)
2064/08/18	1365(802.33)	2064/11/09	948(439.45)	2065/04/05	1235(708.02)
2064/08/20	1409(807.67)	2064/11/11	1038(641.78)	2065/04/06	1160(706.15)
2064/08/23	1400(805.43)	2064/11/12	1055(643.13)	2065/04/07	1150(701.47)

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

##### b) Nepal Bangladesh Bank

Announcement of rights offering	2060-12-29
Issued Date	
Closed date	
Subscription price	Rs.100 per share
Subscription ratio	1:1
Number of Share issued	1250000
Share price(index) on announcement day	365(201.22)
Issue Manager	Nepal Shrilanka Merchant Bank Ltd.

**Table No.2****Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2060-12-20	337 (195.17)	2060-12-30	365 (201.22)	2061-06-28	260 (232.29)
2060-12-23	340 (196.14)	2061-01-02	374 (202.94)	2061-07-10	260 (232.00)
2060-12-24	345 (197.32)	2061-01-03	381 (202.10)	2061-07-11	261 (232.06)
2060-12-25	348 (198.87)	2061-01-04	393 (202.45)	2061-07-12	260 (232.13)
2060-12-26	350 (199.41)	2061-01-09	393 (203.16)	2061-07-17	267 (232.52)
2060-09-29	432(200.84)	2061-01-15	393(202.45)		
2060-12-18	350(181.02)				

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

**c) Bank of Kathmandu**

Announcement of rights offering	2059-06-02
Issued Date	2059-06-11
Closed date	2059-08-09
Subscription price	Rs.100 per share
Subscription Ratio	
Number of Share issued	
Share price (index) on announcement day	815(334.64)
Issue Manager	NIDC Capital Markets Ltd.

**Table No.3****Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2059-05-11	820 (330.01)	2059-06-15	460 (321.96)	2059-12-07	315 (259.75)
2059-05-14	820 (327.36)	2059-06-16	465 (217.13)	2059-12-07	300 (217.39)
2059-05-18	800 (325.38)	2059-06-23	485 (218.76)	2059-12-11	300 (216.72)
2059-05-19	805 (325.30)	2059-07-07	485 (220.03)	2059-12-12	305 (214.84)
2059-05-20	815 (325.03)	2059-07-12	430 (220.97)	2059-12-20	315 (216.69)
2059-3-2	1015(367.37)				
2059-5-21	801(323.51)				

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

**d) Nepal SBI Bank Ltd.**

Announcement date of rights offering	2062-01-09
Issue date	2062-01-20
Closed date	2062-03-17
Subscription Price	Rs.100 per share
Subscription Ratio	1:1
Number of Share issued	2159300
Issue Manager	Nepal Merchant Banking & Finance Ltd.

**Table No.4**  
**Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2061-12-25	459(289.56)	2062-01-27	375(288.34)	2062-07-20	375(307.42)
2061-12-29	464(290.65)	2062-01-29	373(285.42)	2062-07-21	385(303.94)
2061-12-31	475(293.26)	2062-02-01	371(285.52)	2062-07-22	385(306.15)
2062-01-05	470(293.71)	2062-02-02	372(284.52)	2062-07-24	390(307.98)
2062-01-07	370(292.59)	2062-02-03	370(283.12)	2062-07-27	380(306.15)

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

**e) Machhapuchere Bank Ltd.**

Announcement date of rights offering	2063-02-03
Issue date	2063-02-11
Closed date	2063-03-14
Subscription Price	Rs.100 per share
Subscription Ratio	10:3
Number of Share issued	1650000
Issue Manager	Nepal Merchant Banking & Finance Ltd.

**Table No.5****Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2063-01-27	415(381.70)	2063-02-18	345(371.97)	2063-08-07	436(453.03)
2063-02-01	360(388.49)	2063-02-21	345(372.06)	2063-08-10	452(463.74)
2063-02-02	365(387.86)	2063-02-22	340(371.47)	2063-08-11	475(469.51)
2063-02-03	345(384.58)	2063-02-23	341(370.47)	2063-08-12	485(478.01)
2063-02-04	348(384.11)	2063-02-24	335(369.62)	2063-08-13	533(492.46)

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

**Finance Companies:****a) Siddhartha Finance Co. Ltd.**

Announcement of rights offering	2060-08-09
Issued Date	2060-08-23
Closed date	2060-08-25
Subscription price	Rs. 100 per share
Subscription ratio	1:1
Share price (index) on announcement day	150(205.83)
Issue Manager	Nepal Finance & Saving Co. Ltd

**Table No. 6****Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2060-08-08	150 (205.83)	2060-08-12	150 (206.52)	2061-02-05	130 (205.10)
2060-02-09	165(210.42)	2060-08-16	150 (205.82)	2061-02-06	130 (207.04)

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

**b) Peoples Finance Ltd.**

Announcement date of rights offering	2060-02-13
Issue date	2060-02-20
Closed date	2060-04-16
Subscription Price	Rs.100 per share
Subscription Ratio	1:1
Number of Share issued	200000
Issue Manager	NIDC Capital Markets Ltd

**Table No.7****Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2060-01-05	100(211.37)	2060-02-24	95(208.95)	2060-08-03	90(206.33)
2060-01-10	100(209.43)	2060-02-27	95(208.99)	2060-08-09	90(205.83)
2060-01-13	100(209.63)			2060-08-12	95(206.76)
2060-01-20	95(208.48)				
2060-01-06	95(208.31)				

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

**c) National Finance Co. Ltd.**

Announcement date of rights offering	2062-01-02
Issue date	2062-05-01
Closed date	2062-05-03
Subscription Price	Rs.100 per share
Subscription Ratio	1:1
Number of Share issued	432000
Issue Manager	NIDC Capital Markets Ltd.

**Table No.8****Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2062-02-23	342(281.40)	2062-03-01	330(277.83)	2062-08-30	365(303.12)
2062-02-26	342(280.08)	2062-03-08	316(281.15)	2062-09-03	265(304.97)
2062-02-29	325(277.79)	2062-03-13	312(280.39)	2062-09-11	260(299.93)
2062-02-30	338(278.75)	2062-03-15	309(281.54)	2062-09-12	260(301.09)
2062-02-31	341(279.72)	2062-03-21	309(282.21)	2062-09-13	260(301.60)

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

**d) NIDC Capital Market.**

Announcement date of rights offering	2058-12-19
Issue date	2058-12-26
Closed date	2059-01-30
Subscription Price	Rs.100 per share
Subscription Ratio	1:2
Number of Share issued	400000
Issue Manager	Citizen Investment Trust

**Table No.9****Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2058-12-02	380(187.88)	2059-01-05	220(216.39)	2059-05-27	180(223.87)
2058-12-03	380(186.22)	2059-01-06	220(216.94)	2059-05-28	180(223.79)
2058-12-06	370(180.34)	2059-01-07	205(217.14)	2059-06-16	175(217.13)
2058-12-07	370(192.71)	2059-01-08	190(215.10)		
2058-12-09	410(204.28)				

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares)

## Hotel & Other

### a) Taragaun Regency Hotel.

Announcement of rights offering	2062-12-10
Issued Date	2062-12-14
Closed date	2063-01-18
Subscription price	Rs. 100 per share
No transactions were held during right offering.	

**Table No.10**  
**Information about share price and index**

Date	Index	price
2062-06-04	280.2	40
2062-11-27	270.6	-
2062-12-04	287.4	-
2062-12-11	295.9	-
2063-06-04	315.1	-

### b) Necon Air Ltd.

Announcement of rights offering	2056-10-26
Issued Date	2056-11-20
Closed date	2056-12-24
Subscription price	Rs.100 per share
Subscription ratio	1:1
Share price(index) on announcement day	309(282.37)
Issue Manager	Citizen Investment Trust.

**Table No.11**  
**Information about share price and index**

Share price before announcement date		Share price after announcement date		Share price after 6 months of announcement date	
Date	Share price (Index)	Date	Share price (Index)	Date	Share price (Index)
2056-10-17	277 (273.76)	2056-11-02	345 (201.22)	2060-04-16	265 (250.70)
2056-10-19	296 (276.15)	2056-11-03	366 (202.94)	2060-04-19	260 (249.54)
2056-10-20	306 (277.21)	2056-11-04	387 (202.10)	2060-04-20	260 (248.79)
2056-10-21	306 (278.16)	2056-11-05	408 (202.45)	2060-04-23	265 (347.22)
2056-10-25	306 (278.47)			2060-04-27	267 (349.80)

Sources: Official quotation of share prices published in the National Daily Newspaper.

(Note: Figures under parentheses represent total price index of equity shares).

## ANNEX-2

Test of Hypothesis by using t- statistic for the Test of Significance of the difference between share prices before and after announcement of rights offerings.

**Variables defined:**

H0: *Null Hypothesis* that there is a not significant difference between the share price before and after the announcement of rights offering.

H1: *Anternative Hypothesis* that there is a significant difference between the share price before and after announcement of rights offerings.

X: Share price before announcement date.

$\bar{X}$  : Mean of share price before announcement date

Y: Share price after announcement date.

$\bar{Y}$  : Mean of Share price after announcement date.

t-cal Calculate value of t.

t-tab: Tabulated value of t at a given significant level for a certain degree of freedom

D.F: Degree of freedom

$\dagger^2$  : An unbiased estimate of population variance.

$\dagger$  : S.D. of Share price before and after announcement date.

**Commercial Banks:**

**a) Laxmi Bank Ltd.**

**Table No.1  
Laxmi Bank Ltd.**

X	$(X - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
1190	-144.6	20909.16	1043	34	1156
1309	-25.6	655.36	961	-48	2304
1365	30.4	924.16	948	-61	3721
1409	74.4	5535.36	1038	29	841
1400	65.4	4277.16	1055	46	2116
$\Sigma X = 6673$		$\Sigma (X - \bar{X})^2 = 32301.2$	$\Sigma Y = 5045$		$\Sigma (Y - \bar{Y})^2 = 10138$

We know that,

$$\bar{X} = \frac{\sum X}{n} = \frac{6673}{5} = 1334.6 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{5045}{5} = 1009$$



$$t_x = \sqrt{\frac{\sum (X - \bar{X})^2}{N}} = \sqrt{\frac{32301.2}{5}} = 80.38$$

$$t_Y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{10138}{5}} = 45.03$$

$$S^2 = \frac{1}{n_1+n_2-2} \sum (X-\bar{X})^2 + \sum (Y-\bar{Y})^2 = \frac{1}{5+5-2} (32301.2+10138) = 5304.9$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{13346-1009}{\sqrt{5304.9 \left( \frac{1}{5} + \frac{1}{5} \right)}} = 7.07$$

$$t_{cal} = 7.07$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} > t_{tab}$ , the null hypothesis is rejected hence the difference is significant.

### b) Nepal Bangladesh Bank

**Table No.2**  
**Nepal Bangladesh Bank.**

X	$(X - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
337	-7	49	365	-16.2	262.44
340	-4	16	374	-7.20	51.84
345	1	1	381	-0.20	0.04
348	4	16	393	11.80	139.24
350	6	36	393	11.80	139.24
$\sum X = 1720$		$\sum (X - \bar{X})^2 = 118$	$\sum Y = 1906$		$\sum (Y - \bar{Y})^2 = 592.80$

$$\bar{X} = \frac{\sum X}{n} = \frac{1720}{5} = 344 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{1906}{5} = 381.20$$

$$t_x = \sqrt{\frac{\sum (X - \bar{X})^2}{N}} = \sqrt{\frac{118}{5}} = 4.86$$

$$t_Y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{592.80}{5}} = 10.8$$

$$S^2 = \frac{1}{n_1+n_2-2} \sum (X-\bar{X})^2 + \sum (Y-\bar{Y})^2 = \frac{1}{5+5-2} (118+592.80) = 88.85$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{344-381.20}{\sqrt{88.85 \left( \frac{1}{5} + \frac{1}{5} \right)}} = -2.49$$

$$/t_{cal} = /2.49/$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} > t_{tab}$ , the null hypothesis is rejected hence the difference is significant.

c) Bank of Kathmandu

**Table No.3**  
**Bank of Kathmandu**

X	$(X - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
820	8	64	460	-5	25
820	8	64	465	0	0
800	-12	144	485	20	400
805	-7	49	485	20	400
815	3	9	430	-35	1225
$\Sigma X = 4060$		$\Sigma (X - \bar{X})^2 = 330$	$\Sigma Y = 2325$		$\Sigma (Y - \bar{Y})^2 = 2050$

$$\bar{X} = \frac{\sum X}{n} = \frac{4060}{5} = 812 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{2325}{5} = 465$$

$$t_x = \sqrt{\frac{\sum (X - \bar{X})^2}{N}} = \sqrt{\frac{330}{5}} = 8.13$$

$$t_y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{2050}{5}} = 20.25$$

$$S^2 = \frac{1}{n_1 + n_2 - 2} \sum (X - \bar{X})^2 + \sum (Y - \bar{Y})^2 = \frac{1}{5 + 5 - 2} (330 + 2050) = 297.5$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{812 - 465}{\sqrt{297.5 \left( \frac{1}{5} + \frac{1}{5} \right)}} = 39.81$$

$$t_{cal} = 39.81$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} > t_{tab}$ , the null hypothesis is accepted hence the difference is significant

d) Nepal SBI Bank Ltd.

**Table No 4**  
**Nepal SBI Bank Ltd.**

X	$(X - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
459	11.40	129.96	375	2.80	7.84
464	16.40	268.96	373	.80	0.64
475	27.40	750.76	371	-1.20	1.44
470	22.40	501.76	372	-0.20	0.04
370	-77.50	6006.25	370	-0.20	4.84
$\Sigma X = 2238$		$\Sigma (X - \bar{X})^2 = 7657.69$	$\Sigma Y = 1861$		$\Sigma (Y - \bar{Y})^2 = 14.8$

$$\bar{X} = \frac{\sum X}{n} = \frac{2238}{5} = 447.60 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{1861}{5} = 372.20$$

$$t_x = \sqrt{\frac{\sum (X - \bar{X})^2}{N}} = \sqrt{\frac{7657.69}{5}} = 39.13$$

$$t_y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{14.80}{5}} = 1.72$$

$$S^2 = \frac{1}{n_1 + n_2 - 2} \sum (X - \bar{X})^2 + \sum (Y - \bar{Y})^2 = \frac{1}{5 + 5 - 2} (7657.69 + 14.80) = 959.06$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{447.60 - 372.20}{\sqrt{959.06 \left( \frac{1}{5} + \frac{1}{5} \right)}} = 3.85$$

$$t_{cal} = 3.85$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} > t_{tab}$ , the null hypothesis is rejected hence the difference is significant.

#### e) Machhapuchere Bank Ltd.

**Table No. 5**  
**Machhapuchere Bank Ltd.**

X	(X - $\bar{X}$ )	(X - $\bar{X}$ ) <sup>2</sup>	Y	(Y - $\bar{Y}$ )	(Y - $\bar{Y}$ ) <sup>2</sup>
415	48.40	2342.56	345	3.80	14.44
360	-6.60	43.56	345	3.80	14.44
365	-1.60	2.56	340	-1.20	1.44
345	-21.60	466.56	341	-0.20	0.04
348	-18.60	345.96	335	-6.20	38.44
$\sum X = 1833$		$\sum (X - \bar{X})^2 = 3201.20$	$\sum Y = 1706$		$\sum (Y - \bar{Y})^2 = 68.80$

$$\bar{X} = \frac{\sum X}{n} = \frac{1833}{5} = 366.60 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{1706}{5} = 341.20$$

$$t_x = \sqrt{\frac{\sum (X - \bar{X})^2}{N}} = \sqrt{\frac{3201.20}{5}} = 25.30$$

$$t_y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{68.80}{5}} = 3.71$$

$$S^2 = \frac{1}{n_1 + n_2 - 2} \sum (X - \bar{X})^2 + \sum (Y - \bar{Y})^2 = \frac{1}{5 + 5 - 2} (3201.20 + 68.80) = 408.75$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{366.60 - 341.20}{\sqrt{408.75 \left( \frac{1}{5} + \frac{1}{5} \right)}} = 1.99$$

$$t_{cal} = 1.99$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} < t_{tab}$ , the null hypothesis is accepted hence the difference is not significant.

**Finance Companies:**

**a) Siddhartha Finance Co. Ltd.**

**Table No. 6  
Siddhartha Finance Ltd.**

X	$(X - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
150	-	-	150	-	-
165	-	-	150	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$\Sigma X =$		$\Sigma (X - \bar{X})^2 = 0$	$\Sigma Y =$		$\Sigma (Y - \bar{Y})^2 =$

*Note:- Available data are not sufficient to calculate.*

**b) Peoples Finance Ltd.**

**Table No.7  
People Finance Co. Ltd.**

X	$(X - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
100	1.25	1.56	95	0	0
100	1.25	1.56	95	0	0
100	1.25	1.56	95	0	0
95	-3.75	14.06	95	0	0
$\Sigma X = 395$		$\Sigma (X - \bar{X})^2 = 18.74$	$\Sigma Y = 380$		$\Sigma (Y - \bar{Y})^2 = 0$

$$\bar{X} = \frac{\Sigma X}{n} = \frac{395}{4} = 98.75 \quad \bar{Y} = \frac{\Sigma Y}{n} = \frac{380}{4} = 95$$

$$t_x = \sqrt{\frac{\Sigma (X - \bar{X})^2}{N}} = \sqrt{\frac{18.74}{4}} = 2.17$$

$$t_y = \sqrt{\frac{\Sigma (Y - \bar{Y})^2}{N}} = \sqrt{\frac{0}{4}} = 0$$

$$S^2 = \frac{1}{n_1 + n_2 - 2} \Sigma (X - \bar{X})^2 + \Sigma (Y - \bar{Y})^2 = \frac{1}{4 + 4 - 2} (18.74 + 0) = 3.12$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{98.75 - 95}{\sqrt{3.12 \left( \frac{1}{4} + \frac{1}{4} \right)}} = 3.00$$

$$t_{cal} = 3.00$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

**Decision:**

Since  $t_{cal} > t_{tab}$ , the null hypothesis is rejected hence the difference is significant

c) National Finance Co. Ltd.

**Table No.8**  
**National Finance Co.Ltd.**

X	$(x - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
342	440	19.36	330	17.80	219.04
342	440	19.36	316	0.80	0.64
341	340	11.56	312	-3.20	10.24
338	0.40	0.16	309	-6.20	38.44
325	-12.60	158.76	309	-6.20	38.44
$\Sigma X = 1688$		$\Sigma (x - \bar{X})^2 = 209.20$	$\Sigma Y = 1576$		$\Sigma (Y - \bar{Y})^2 = 306.80$

$$\bar{X} = \frac{\sum X}{n} = \frac{1688}{5} = 337.60 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{1576}{5} = 315.20$$

$$t_x = \sqrt{\frac{\sum (x - \bar{X})^2}{N}} = \sqrt{\frac{209.20}{5}} = 6.47$$

$$t_y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{306.80}{5}} = 7.83$$

$$S^2 = \frac{1}{n_1 + n_2 - 2} \sum (X - \bar{X})^2 + \sum (Y - \bar{Y})^2 = \frac{1}{5 + 5 - 2} (209.20 + 306.80) = 64.50$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{337.60 - 315.20}{\sqrt{64.50 \left( \frac{1}{5} + \frac{1}{5} \right)}} = 4.41$$

$$t_{cal} = 4.41$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} > t_{tab}$ , the null hypothesis is rejected hence the difference is significant.

d) NIDC Capital Market.

**Table No.9**  
**NIDC Capital Markets Ltd.**

X	$(x - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
380	-2	4	220	15	225
380	-2	4	220	15	225
370	-12	144	205	0	0
370	-12	144	190	-15	225
410	28	784	190	-15	225
$\Sigma X = 1910$ $\bar{X} = 382$		$\Sigma (X - \bar{X})^2 = 1080$	$\Sigma Y = 1025$ $\bar{Y} = 205$		$\Sigma (Y - \bar{Y})^2 = 1025$

$$\bar{X} = \frac{\sum X}{n} = \frac{6872}{5} = 14.47 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{3990}{5} =$$

$$t_x = \sqrt{\frac{\sum (X - \bar{X})^2}{N}} = \sqrt{\frac{1080}{5}} =$$

$$t_y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{1025}{5}} =$$

$$S^2 = \frac{1}{n_1 + n_2 - 2} \sum (X - \bar{X})^2 + \sum (Y - \bar{Y})^2 = \frac{1}{5 + 5 - 2} (1080 + 900) = 247.50$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{382 - 205}{\sqrt{247.50 \left( \frac{1}{5} + \frac{1}{5} \right)}} = 17.80$$

$$t_{cal} = 17.80$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} > t_{tab}$ , the null hypothesis is rejected hence the difference is significant.

**Hotel & Other**

**a) Taragaun Regency Hotel.**

**Data not available**

**b) Necon Air Ltd.**

**Table No. 10**  
**Necon Air Ltd.**

X	$(X - \bar{X})$	$(X - \bar{X})^2$	Y	$(Y - \bar{Y})$	$(Y - \bar{Y})^2$
277	-21.2	449.44	345	-31.5	992.25
296	-2.2	4.84	366	-10.5	110.25
306	7.8	60.84	387	10.5	110.25
306	7.8	60.84	408	31.5	992.25
306	7.8	60.84	-	-	-
$\sum X = 1491$		$\sum (X - \bar{X})^2 = 636.8$	$\sum Y = 1506$		$\sum (Y - \bar{Y})^2 = 2205$

$$\bar{X} = \frac{\sum X}{n} = \frac{1491}{5} = 298.2 \quad \bar{Y} = \frac{\sum Y}{n} = \frac{1506}{4} = 376.5$$

$$t_x = \sqrt{\frac{\sum (X - \bar{X})^2}{N}} = \sqrt{\frac{636.8}{5}} = 11.28$$

$$t_y = \sqrt{\frac{\sum (Y - \bar{Y})^2}{N}} = \sqrt{\frac{2205}{4}} = 23.47$$

$$S^2 = \frac{1}{n_1 + n_2 - 2} \sum (X - \bar{X})^2 + \sum (Y - \bar{Y})^2 = \frac{1}{5 + 4 - 2} (636.8 + 2205) = 405.97$$

$$t_{cal} = \frac{\bar{X} - \bar{Y}}{\sqrt{S^2 \left( \frac{1}{N_1} + \frac{1}{N_2} \right)}} = \frac{2982 - 3765}{\sqrt{40597 \left( \frac{1}{5} + \frac{1}{4} \right)}} = \frac{-78.3}{13.52} = -5.79$$

$$|t_{cal}| = 5.79$$

$t_{tab}$  value at 5% level of significance for 8 degree of freedom = 2.306

Decision:

Since  $t_{cal} > t_{tab}$ , the null hypothesis is rejected hence the difference is significant.

### ANNEX-3

#### Correlation (r) between Share price fluctuations with price index movement.

Variables	
<b>I</b>	Three months before announcement of the right share
<b>II</b>	Ten days before announcement of the right share
<b>III</b>	The day of announcement of the right share
<b>IV</b>	Seven days after announcement of the right share
<b>V</b>	Six months after announcement of the right share
<b>X</b>	Share price
<b>Y</b>	Index.

#### Correlation (r) between Share price fluctuations with price index movement of Commercial Banks:

##### a) Laxmi Bank Ltd.

**Table no.1  
Laxmi Bank Ltd.**

Point of Time	x	X = $\frac{(x-\bar{x})}{(x-\bar{x})}$	X <sup>2</sup>	y	Y = $\frac{(y-\bar{y})}{(y-\bar{y})}$	Y <sup>2</sup>	XY
I	950	-155.6	24211.36	680.33	(52.57)	2,763.60	8,179.89
II	1200	94.4	8911.36	789.25	56.35	3,175.32	5,319.44
III	1185	79.4	6304.36	770.58	37.68	1,419.78	2,991.79
IV	1080	-25.6	655.36	765.45	32.55	1,059.50	(833.28)
V	1113	7.4	54.76	658.89	(74.01)	5,477.48	(547.67)
	$\sum x = 5528$ $\bar{x} = 1105.6$		$\sum x^2 = 40137.2$	$\sum y = 3664.5$ $\bar{y} = 732.9$		$\sum Y^2 = 13895.69$	$\sum xy = 15110.17$

$$\bar{x} = \frac{\sum x}{n} = \frac{5528}{5} = 1105.60 \qquad \bar{y} = \frac{\sum y}{n} = \frac{3664.5}{5} = 732.9$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation}(r) = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{15110.17}{\sqrt{40137.2 \times 13895.69}} = 0.64$$

$$\therefore \text{Coefficient of determination } (r^2) = (0.64)^2 = 0.4096 = 40.96\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.4096}{\sqrt{5}} = 0.26$$

$$\therefore 6 \times P.E. = 6 \times 0.26 = 1.56$$



**b) Nepal Bangladesh Bank**

**Table no.2  
Nepal Bangladesh Ltd.**

Point of Time	x	$X = \bar{x}$ (x-x)	$X^2$	y	$Y = \bar{y}$ =(y-y)	$Y^2$	XY
I	432	72	5184	200.84	-5.788	33.500	416.736
II	350	-10	100	196.34	-10.288	105.843	102.88
III	365	5	25	201.22	-5.408	29.246	146.23
IV	393	33	1089	202.45	-4.178	17.455	-137.874
V	260	-100	10000	232.29	25.662	658.538	2566.2
	$\sum x =$ 1800 $\bar{x} = 360$		$\sum x^2 =$ 16398	$\sum y = 11033.14$ 23 $\bar{y} = 206.62$		$\sum Y^2 =$ 844.582	$\sum XY =$ 3094.172

$$\bar{x} = \frac{\sum x}{n} = \frac{1800}{5} = 360 \quad \bar{y} = \frac{\sum y}{n} = \frac{11033.14}{5} = 206.628$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation}(r) = \frac{\sum XY}{\sqrt{\sum x^2 \sum y^2}} = \frac{258656.36}{\sqrt{16398 \times 522.658}} = \frac{3094.172}{3721.48} = 0.832$$

$$\therefore \text{Coefficient of determination } (r^2) = (0.832)^2 = 69.22\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.6922}{\sqrt{5}} = 0.09284$$

$$\therefore 6 \times P.E. = 6 \times 0.09284 = 0.55704$$

**c) Bank of Kathmandu**

**Table no.3  
Bank Of Kathmandu Ltd.**

Point of Time	x	$X = \bar{x}$ (x-x)	$X^2$	y	$Y = \bar{y}$ =(y-y)	$Y^2$	XY
I	1015	333.8	111422.44	367.37	45.924	2109.02	15329.43
II	801	119.8	14352.04	323.51	2.064	4.261	246.788
III	815	133.8	17902.44	334.64	13.194	174.082	1765.35
IV	460	-221.2	48885.21	321.96	0.514	0.264	-113.69
V	315	-366.2	134102.44	259.75	-61.696	3806.39	22593.07
	$\sum x =$ 3406 $\bar{x} = 681.2$		$\sum x^2 =$ 326664.57	$\sum y = 1607.23$ 23 $\bar{y} = 321.446$		$\sum Y^2 =$ 6094.017	$\sum xy =$ 39820.948

$$\bar{x} = \frac{\sum x}{n} = \frac{3406}{5} = 681.2 \quad \bar{y} = \frac{\sum y}{n} = \frac{1607.23}{5} = 321.446$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation}(r) = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{39820948}{\sqrt{32666457 \times 6094017}} = \frac{39820.948}{44617.255} = 0.8925$$

$$\therefore \text{Coefficient of determination } (r^2) = (0.8925)^2 = 79.65\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.7965}{\sqrt{5}} = 0.06138$$

$$\therefore 6 \times P.E. = 6 \times 0.06138 = 0.096828$$

**d) Nepal SBI Bank Ltd.**

**Table no.4  
Nepal SBI Bank Ltd.**

Point of Time	x	X = $\bar{x}$ (x - $\bar{x}$ )	X <sup>2</sup>	y	Y = $\bar{y}$ =(y - $\bar{y}$ )	Y <sup>2</sup>	xy
I	339	-18.40	338.56	250.76	-36.91	1362.35	679.14
II	352	-5.40	29.16	294.03	6.36	40.45	-34.34
II	346	-11.40	129.96	297.81	10.14	102.82	-115.60
IV	375	17.60	309.76	288.34	0.67	0.45	11.79
V	375	17.60	309.76	307.42	19.75	390.06	347.60
	$\sum x =$ 1787 $\bar{x} = 357.40$		$\sum x^2 =$ 1117.20	$\sum y =$ 1438.36 $\bar{y} = 287.67$		$\sum y^2 =$ 1896.1 3	$\sum xy =$ 888.99

$$\bar{x} = \frac{\sum x}{n} = \frac{1787}{5} = 357.40 \quad \bar{y} = \frac{\sum y}{n} = \frac{1438.36}{5} = 287.67$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation}(r) = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{888.59}{\sqrt{1117.20 \times 1896.13}} = 0.61$$

$$\therefore \text{Coefficient of determination } (r^2) = (0.61)^2 = 0.37 = 37\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.37}{\sqrt{5}} = 0.19$$

$$\therefore 6 \times P.E. = 6 \times 0.19 = 1.14$$

e) Machhapuchere Bank Ltd.

**Table no.5**  
**Machhapuchere Bank Ltd.**

Point of Time	X	$X = \bar{x} = (x - \bar{x})$	$X^2$	y	$Y = (y - \bar{y})$	$Y^2$	xy
I	348	-18.60	345.96	333.03	-52.19	2723.80	970.73
II	360	-6.60	43.56	388.49	3.27	10.69	-21.582
II	328	-38.60	1489.96	368.89	-16.33	266.67	630.34
IV	345	-21.60	466.56	371.97	-13.25	175.56	286.20
V	452	85.40	7293.16	463.74	78.52	6165.39	6705.61
	$\sum x = 1833$ $\bar{x} = 366.60$		$\sum x^2 = 9639.20$	$\sum y = 1926.12$ $\bar{y} = 385.22$		$\sum y^2 = 9342.11$	$\sum xy = 8571.298$

$$\bar{x} = \frac{\sum x}{n} = \frac{1833}{5} = 366.60$$

$$\bar{y} = \frac{\sum y}{n} = \frac{1926.12}{5} = 385.20$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation (r)} = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{8571.298}{\sqrt{9639.20 \times 9342.11}} = 0.0932$$

$$\therefore \text{Coefficient of determination (r}^2\text{)} = (0.09)^2 = 0.81 = 81\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.81}{\sqrt{5}} = 0.06$$

$$\therefore 6 \times P.E. = 6 \times 0.06 = 0.36$$

**Finance Companies:**

a) Siddhartha Finance Co. Ltd.

**Table no.6**  
**Siddhartha Finance Co. Ltd.**

Point of Time	X	$X = (x - \bar{x})$	$X^2$	y	$Y = (y - \bar{y})$	$Y^2$	xy
I	165	16.6	275.56	210.42	3.54	12.5316	58.764
II	147	-1.4	1.96	207.23	0.35	0.1225	-0.49
II	150	1.6	2.56	205.83	-1.05	1.1025	-1.68
IV	150	1.6	2.56	205.82	-1.06	1.1236	-1.696
V	130	-18.4	338.56	205.10	-1.78	3.1684	32.752
	$\sum x = 742$ $\bar{x} = 148.4$		$\sum x^2 = 621.2$	$\sum y = 1034.4$ $\bar{y} = 206.88$		$\sum y^2 = 18.048$ 6	$\sum xy = 87.65$

$$\bar{x} = \frac{\sum x}{n} = \frac{742}{5} = 148.4 \quad \bar{y} = \frac{\sum y}{n} = \frac{1034.4}{5} = 206.88$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation (r)} = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{87.65}{\sqrt{612.2 \times 18.0486}} = 0.8338$$

$$\therefore \text{Coefficient of determination (r}^2\text{)} = (0.8338)^2 = 69.52\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.6952}{\sqrt{5}} = 0.092$$

$$\therefore 6 \times P.E. = 6 \times 0.092 = 0.552$$

### b) Peoples Finance Ltd.

**Table no.7**  
**People Finance Co. Ltd.**

Point of Time	x	X= (x - $\bar{x}$ )	X <sup>2</sup>	y	Y =(y - $\bar{y}$ )	Y <sup>2</sup>	xy
I	105	8	64	207.15	-0.94	0.88	-7.52
II	95	-2	4	208.48	0.39	0.15	-0.78
II	95	-2	4	209.10	1.01	1.02	-2.02
IV	95	-2	4	208.99	0.90	0.81	-1.62
V	95	-2	4	206.76	-1.33	1.77	-3.54
	$\sum x$ = 485 $\bar{x} = 97$		$\sum x^2$ = 80	$\sum y = 1040.48$ 40.48 $\bar{y} = 208.09$		$\sum Y^2$ = 4.63	$\sum xy = -15.48$

$$\bar{x} = \frac{\sum x}{n} = \frac{485}{5} = 97 \quad \bar{y} = \frac{\sum y}{n} = \frac{1040.48}{5} = 208.48$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation (r)} = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{-15.48}{\sqrt{80 \times 4.63}} = -0.80$$

$$\therefore \text{Coefficient of determination (r}^2\text{)} = (0.80)^2 = 0.64 = 64\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.64}{\sqrt{5}} = 0.1086$$

$$\therefore 6 \times P.E. = 6 \times 0.1086 = 0.6515$$

c) National Finance Co. Ltd.

**Table no.8**  
**Natioanal Finance Co. Ltd.**

Point of Time	x	X= (x - $\bar{x}$ )	X <sup>2</sup>	y	Y =(y - $\bar{y}$ )	Y <sup>2</sup>	xy
I	421	61.60	3794.56	278.50	-5.94	35.28	365.90
II	336	-23.40	547.56	281.61	-2.83	8.00	66.22
II	330	-29.40	864.36	277.83	-6.61	43.69	194.33
IV	345	-14.40	207.36	281.15	-3.29	10.82	47.37
V	365	5.60	31.36	303.12	18.68	348.94	104.60
	$\sum x =$ 1797 $\bar{x}=359.40$		$\sum x^2 =$ 5445.20	$\sum y =$ 1422.21 $\bar{y}=284.44$		$\sum y^2$ =446.73	$\sum xy$ =778.42

$$\bar{x} = \frac{\sum x}{n} = \frac{1797}{5} = 359.40$$

$$\bar{y} = \frac{\sum y}{n} = \frac{1581.94}{5} = 316.39$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation}(r) = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{778.42}{\sqrt{5445.20 \times 446.72}} = 0.49$$

$$\therefore \text{Coefficient of determination } (r^2) = (0.49)^2 = 0.24$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.24}{\sqrt{5}} = 0.22$$

$$\therefore 6 \times P.E. = 6 \times 0.22 = 1.32$$

d) NIDC Capital Market.

**Table no.9**  
**NIDC Capital Markets Ltd.**

Point of Time	x	X= (x - $\bar{x}$ )	X <sup>2</sup>	y	Y =(y - $\bar{y}$ )	Y <sup>2</sup>	xy
I	400	76	5776	265.62	43.38	1881.82	3296.88
II	410	86	7396	204.28	-17.96	322.56	1544.56
II	410	86	7396	201.28	21.18	448.59	-1821.48
IV	220	-104	10816	216.39	-5.85	34.22	608.40
V	180	-144	20736	223.87	1.63	2.66	-234.72
	$\sum x$ = 1620 $\bar{x}=324$		$\sum x^2 =$ 52120	$\sum y =$ 1111.22 $\bar{y}=222.24$		$\sum Y^2$ =3689.85	$\sum xy$ = 304.55

$$\bar{x} = \frac{\sum x}{n} = \frac{1620}{5} = 324 \quad \bar{y} = \frac{\sum y}{n} = \frac{1111.22}{5} = 222.24$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation}(r) = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{304.55}{\sqrt{52120 \times 3689.85}} = 0.022$$

$$\therefore \text{Coefficient of determination } (r^2) = (0.022)^2 = 0.00048 = 0.048\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0.00048}{\sqrt{5}} = 0.30$$

$$\therefore 6 \times P.E. = 6 \times 0.30 = 1.81$$

### Hotel & Other

#### a) Taragoun Regency Hotel.

**Table no.10**  
**Taragoun Regency Hotel**

Point of Time	x	X= (x - $\bar{x}$ )	X <sup>2</sup>	y	Y (y - $\bar{y}$ )	Y <sup>2</sup>	xy
I	40	0	0	280.2	-9.64	92.9296	0
II	*	-	-	270.6	-19.24	370.1776	0
II	*	-	-	287.4	-2.44	5.9536	0
IV	*	-	-	295.9	6.06	36.7236	0
V	*	-	-	315.1	25.26	638.0676	0
	$\sum x = 0$ $\bar{x} = 0$		$\sum x^2 = 0$	$\sum y = 1449.2$ $\bar{y} = 289.84$		$\sum y^2 = 1143.852$	$\sum xy = 0$

$$\bar{x} = \frac{\sum x}{n} = 40 \quad \bar{y} = \frac{\sum y}{n} = \frac{1926.12}{5} = 289.84$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation } (r) = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = 0$$

$$\therefore \text{Coefficient of determination } (r^2) = 0$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0$$

$$\therefore 6 \times P.E. = 6 \times 0.00 = 0$$

b) Necon Air Ltd.

**Table no.11**  
**Necon Air ltd.**

Point of Time	x	X= (x - $\bar{x}$ )	X <sup>2</sup>	y	Y =(y - $\bar{y}$ )	Y <sup>2</sup>	xy
I	154	-114.2	13041.64	255.64	-25.458	654.33	2907.3
II	277	8.8	77.44	273.76	-7.338	53.846	-64.57
II	309	40.8	1664.64	282.37	1.272	1.6179	51.89
IV	366	97.8	9564.84	295.06	13.962	194.93	1365.48
V	235	-33.2	1102.24	298.66	17.562	308.42	-583.058
	$\sum x$ =1341 $\bar{x}$ =268.2		$\sum x^2$ =2 5450.8	$\sum y$ = 1405.49 $\bar{y}$ =281.098		$\sum y^2$ =1213.16	$\sum xy$ =3677.042

$$\bar{x} = \frac{\sum x}{n} = \frac{1341}{5} = 268.2$$

$$\bar{y} = \frac{\sum y}{n} = \frac{1405.49}{5} = 281.098$$

Karl Pearson's coefficient of correlation

We know,

$$\text{Correlation (r)} = \frac{\sum xy}{\sqrt{\sum x^2 \sum y^2}} = \frac{3677.042}{\sqrt{25450.8 \times 1213.16}} = .000012 = 0.012\%$$

$$\therefore \text{Coefficient of determination (r}^2\text{)} = (0.00012)^2 = 0\%$$

$$PE = 0.6745 \frac{1 - r^2}{\sqrt{n}} = 0.6745 \frac{1 - 0}{\sqrt{5}} = 0.302$$

$$\therefore 6 \times P.E. = 6 \times 0.302 = 1.812$$

## Annex- 4

### Value of Rights and the Theoretical ex-rights price.

Variables Defined:

$P_o$  = Current Market Price

$P_s$  = Subscription Price

$N$  = Number of rights required for an additional share

$P_x$  = Ex-rights Price

$V_r$  = Value of Rights

$$V_r = \frac{P_o - P_s}{N + 1}$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} \text{ or } P_o - V_r$$

### Commercial Banks:

#### a) Laxmi Bank Ltd

$$P_o = \text{Rs.}1185 \quad P_s = \text{Rs.}100 \quad N = 4 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{1185 - 100}{4 + 1} = \text{Rs.}217$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{4 \times 1185 + 100}{4 + 1} = \text{Rs.}968$$

#### b) Nepal Bangladesh Bank

$$P_o = \text{Rs.}365 \quad P_s = \text{Rs.}100 \quad N = 1 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{365 - 100}{1 + 1} = \text{Rs.}132.5$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{1 \times 365 + 100}{1 + 1} = \text{Rs.}232.50$$

#### c) Bank of Kathmandu

$$P_o = \text{Rs.}815 \quad P_s = \text{Rs.}100 \quad N = 1 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{815 - 100}{1 + 1} = \text{Rs.}375.5$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{1 \times 815 + 100}{1 + 1} = \text{Rs.}457.50$$



**d) Nepal SBI Bank Ltd.**

$$P_o = \text{Rs.}332 \quad P_s = \text{Rs.}100 \quad N = 2 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{332 - 100}{2 + 1} = \text{Rs.}77.33$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{2 \times 332 + 100}{2 + 1} = \text{Rs.}254.67$$

**e) Machhapuchere Bank Ltd.**

$$P_o = \text{Rs.}328 \quad P_s = \text{Rs.}100 \quad N = 3.33 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{328 - 100}{3.33 + 1} = \text{Rs.}52.65$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{3.33 \times 328 + 100}{3.33 + 1} = \text{Rs.}275.34$$

**Finance Companies:**

**a. Siddhartha Finance Co. Ltd.**

$$P_o = \text{Rs.}150 \quad P_s = \text{Rs.}100 \quad N = 1 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{150 - 100}{1 + 1} = \text{Rs.}25$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{1 \times 150 + 100}{1 + 1} = \text{Rs.}125$$

**b. Peoples Finance Ltd.**

$$P_o = \text{Rs.}95 \quad P_s = \text{Rs.}100 \quad N = 1 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{95 - 100}{1 + 1} = \text{Rs.}-2.50 \text{ means zero}$$

**c. National Finance Co. Ltd.**

$$P_o = \text{Rs.}330 \quad P_s = \text{Rs.}100 \quad N = 1 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{330 - 100}{1 + 1} = \text{Rs.}115$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{1 \times 330 + 100}{1 + 1} = \text{Rs.}215$$

**d. NIDC Capital Market.**

$$P_o = \text{Rs.}410 \quad P_s = \text{Rs.}100 \quad N = 0.50 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{410 - 100}{0.50 + 1} = \text{Rs.}206.67$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{0.50 \times 410 + 100}{0.50 + 1} = \text{Rs.}203.33$$

**Hotel & Other**

**a) Taragaun Regency Hotel.**

$$P_o < P_s$$

$$\text{So, } V_r = 0$$

**b) Necon Air Ltd.**

$$P_o = \text{Rs.}309 \quad P_s = \text{Rs.}100 \quad N = 1 \text{ Share}$$

Now,

$$V_r = \frac{P_o - P_s}{N + 1} = \frac{309 - 100}{1 + 1} = \text{Rs.}104.5$$

$$P_x = \frac{N \times P_o + P_s}{N + 1} = \frac{1 \times 309 + 100}{1 + 1} = \text{Rs.}204.5$$

**Annex- 5**  
**Table No: 1**  
**Corporate Firm Right Share in Nepal**

<b>Fiscal Year</b>	<b>S.No</b>	<b>Name of the companies</b>	<b>Issue manager</b>	<b>No of share Issued</b>
2052/53	1	Nepal Finance and Saving Co.	-	2.00
2053/54	2	Himalayan General Insurance Co. Ltd	AFC	30.00
	3	Bottlers Nepal Ltd.	CIT	225.20
	4	Nepal Share Market Ltd	AFC	20.00
2054/55	5	Nepal United Co. Ltd.	NFCL	3.01
	6	Nepal Bank Ltd.	CIT	241.95
	7	Annapurana Finance Co. Ltd.	NFCL	5.00
2055/56	8	Nepal Share Market Co. Ltd.	AFC	30.00
2056/57	9	Necon Air Ltd.	CIT	89.60
	10	Paschimanchal Finance Co. Ltd.	NSML	20.00
	11	Ace Finance Co. Ltd.	NSML	15.00
2057/58	12	Narayani Finance Co. Ltd	CIT	12.58
	13	Everest Bank Ltd.	NCML	119.21
2058/59	14	Bank of Kathmandu Ltd.	NCML	234.00
	15	Nepal Housing and Merchant Finance Ltd.	NSML	15.00
	16	Ace Finance Co. Ltd.	NSML	45.00
	17	Nepal SBI Bank Ltd.	NMB	287.87
	18	NIDC Capital Market Ltd.	CIT	40.00
2059/60	19	Nepal Investment Bank Ltd.	NCML	57.24
	20	Nepal Share Market and Finance Ltd	CIT	60.00
	21	Mahalaxmi Finance Ltd.	NFCL	25.00
	22	Peoples Finance Ltd.	NCML	20.00
2060/61	23	Alpic Everest Finance Ltd.	NEFINSCO	20.00
	24	Siddhartha Finance Ltd.	NEFINSCO	20.00
	25	NB Finance & Leasing Co. Ltd.	NSMB	30.00
2061/62	26	Nepal Bangladesh Bank Ltd.	NSMB	159.92
	27	Annapurna Finance Ltd.	NCML	20.00
	28	Nirdhan Uthan Bank Ltd.	NMB	15.00
	29	Nepal SBI Bank Ltd.	NMB	215.93
	30	Nepal Investment Bank Ltd.	AFC	295.29
	31	National Finance Ltd.	NCML	43.20
2062/63	32	Development Credit Bank Ltd.	NMB	80.00
	33	Kumari Bank Ltd.	NCML	125.00
	34	Fewa Finance Co. Ltd.	NMB	30.00
	35	OM Finance Ltd.	NMB	30.00
	36	Goodwill Finance Ltd.	NCML	25.00
	37	Janak Finance Co. Ltd.	NEFINSCO	10.00
	38	Central Finance Ltd.	NCML	12.00
	39	Taragaun Regency Hotel Ltd.	NCML	446.45
	40	Machhapuchhere Bank Ltd.	NMB	165.00
	41	KIST Merchant Banking and Fin. Co. Ltd.	NMB	50.00
	42	Nepal Share Market & Fin. Co. Ltd.	CIT	40.00
2063/64	43	Pokhara Finance Ltd.	NMB	20.00
	44	Lumbini Bank Ltd.	NCML	100.00
	45	Paschimanchal Bikash Bank Ltd.	NCML	28.00
	46	Alpic Everest Finance Ltd.	NMB	20.00
	47	Peoples Finance Ltd.	NCML	40.00

	48	Chimmek Bikash Bank Ltd.	NMB	20.00
	49	Nepal Development Bank Ltd	NCML	160.00
	50	Ace Finance Co. Ltd	NCML	194.00
	51	Navadurga Finance Ltd.	NEFINSCO	11.00
	52	Annapurna Finance Co. Ltd.	NCML	80.00
	53	Laxmi Bank Ltd.	NMB	122.00
	54	Capital Merchant Banking & Fin.Ltd	CIT	84.00
	55	Yeti Finance Ltd.	NCML	6.30
	56	Business Development Bank Ltd	AFC	30.00
	57	KIST Merchant Banking and Fin. Co. Ltd.	NCML	100.00
	58	Siddhartha Bank Ltd.	AFC	100.00
	59	Lumbini Bank Ltd	AFC	150.00
2064/65	60	Nepal Investment Bank Ltd.	ACE	201.30
	61	Siddhartha Bank Ltd.	NMB	138.00
	62	NIC Bank Ltd.	NCML	158.40
	63	Lumbini Bank Ltd	ACE	250.00
	64	Kumari Bank Ltd	NCML	180.00
	65	Laxmi Bank Ltd	NMB	183.00
	66	Nepal Credit & Commerce Bank Ltd	NCML	700.00
	67	Paschimanchal Bikas Bank Ltd.	ACE	47.50
	68	Bhrikuti Bikas Bank Ltd.	NCML	30.00
	69	Development Credit Bank Ltd	NMB	806.40
	70	Siddhartha Bikas Bank Ltd.	ACE	50.00
	71	Sanima Bikas Bank Ltd.	NCML	64.00
	72	Ace Development Bank Ltd.	NCML	96.00
	73	Gorkha Bikas Bank Ltd.	CIT	160.00
	74	Business Development Bank Ltd	ACE	150.00
	75	Himchuli Bikas Bank Ltd	NCML	60.00
	76	Annapurna Bikas Bank Ltd.	NEFINSCO	150.00
	77	Sahayogi Bikas Bank Ltd.	NCML	10.00
	78	Capital Merchant Banking & Fin. Ltd	ACE	161.00
	79	Premier Finance Co. Ltd.	NCML	14.40
	80	Nirdhan Uthan Bank Ltd	NCML	39.50
	81	Central Finance Ltd.	NCML	24.00
	82	Nepal Merchant Banking & Finance Ltd	NFC	80.00
	83	Nepal Share Markets & Finance Ltd.	CIT	240.00
	84	IME Financial Institutions Ltd.	NMB	50.00
	85	Prudential Bittiya Sanstha Ltd.	ACE	50.00
	86	Paschimanchal Finance Co. Ltd	NFC	27.80
	87	Kist Merchant Banking & Fin. Ltd	ACE	600.00
	88	Goodwill Finance Ltd	ACE	50.00
	89	United Finance Ltd.	NMB	75.00
	90	Nepal Express Finance Ltd.	NCML	30.00
	91	Royal Merchant Banking & Fin. Ltd	ACE	60.60
	92	ICFC Bittiya Sanstha Ltd.	ANM	224.80
	93	International Leasing & Finance Ltd.	NCML	504.00
	94	Nepal Housing & Merchant Finance. Ltd	ACE	80.40
	95	Shree Investment Finance Ltd	NMB	16.80
	96	Standard Finance Ltd.	NCML	72.60
	97	Gorkha Finance Ltd.	CIT	30.00
	98	Guheswori Merchant Banking & Fin. Ltd.	NCML	37.00
	99	Nepal Awas Bikas Bitta Co. Ltd	AFC	70.50

	100	Sagarmatha Insurance Co. Ltd	ACE	23.60
	101	Premier Insurance Co. Ltd.	ACE	39.00
	102	Himalayan General Insurance Ltd.	ACE	37.80

Source: Annual Reports of SEBON (Fiscal Year 2007/2008)

**Table No: 2**  
**Companies Issuing Right Shares in Different month**

S.No	Names of the Companies	Issue Open Date
<b>Companies Issuing Right Shares in the month of January</b>		
1.	Nepal Housing & Merchant Finance Ltd.	07/01/2002
2.	Nepal Share Market & Finance Ltd.	29/01/2003
3.	Fewa Finance Co. Ltd.	18/01/2006
4.	OM Finance Co. Ltd.	18/01/2006
5.	ACE Finance Co. Ltd.	31/01/2007
6.	Nepal Investment Bank Ltd.	29/01/2008
7.	Development Credit Bank Ltd.	03/01/2008
8.	Premier Finance Ltd.	27/01/2008
9.	Nepal Merchant Banking & Fin. Ltd.	08/01/2008
<b>Companies Issuing Right Shares in the month of February</b>		
1.	Nepal United Co. Ltd	18/02/1998
2.	Ace Finance Ltd.	25/02/2002
3.	Mahalaxmi Finance Ltd.	28/02/2003
4.	Navadurga Finance Co. Ltd.	02/02/2007
5.	Annapurna Finance Co. Ltd.	09/02/2007
6.	Siddhartha Bank Ltd.	25/02/2008
7.	Siddhartha Bikash Bank Ltd.	10/02/2008
8.	Sagarmatha Insurance Co. Ltd.	20/02/2008
<b>Companies Issuing Right Shares in the month of March</b>		
1.	Annapurna Finance Co. Ltd.	03/03/1998
2.	Necon Air Ltd.	03/03/2000
3.	Paschimanchal Finance Co. Ltd.	14/03/2000
4.	Narayani Finance Ltd.	28/03/2001
5.	Nepal SBI Bank Ltd.	25/03/2002
6.	Goodwill Finance Ltd.	03/03/2006
7.	Janaki Finance Co Ltd.	15/03/2006
8.	Central Finance Ltd.	26/03/2006
9.	Taragaun Regency Hotels Ltd.	26/03/2006
10.	NIC Bank Ltd.	14/03/2008
11.	Lumbini Bank Ltd.	31/03/2008
12.	Prudential Bittiya Sanstha Ltd.	14/03/2008
<b>Companies Issuing Right Shares in the month of April</b>		
1.	Bottlers Nepal Ltd.	14/04/1997
2.	ACE Finance Co. Ltd	11/04/2000
3.	NIDC Capital Markets Ltd.	8/04/2002
4.	Nirdhan Utthan Bank Ltd.	25/04/2005
5.	Laxmi Bank Ltd.	25/04/2007
6.	Capital Merchant Banking & Finance Ltd.	27/04/2007
7.	Yeti Finance Ltd.	29/04/2007
8.	Kumari Bank Ltd.	24/04/2008
<b>Companies Issuing Right Shares in the month of May</b>		
1.	Nepal SBI Bank Ltd.	03/05/2005
2.	Nepal Investment Bank Ltd	13/05/2005
3.	Macchapucchere Bank Ltd.	25/05/2006
4.	Kist Merchant Banking & Finance Ltd.	30/05/2006
5.	Business Development Bank Ltd.	11/05/2007
6.	Kist Merchant Banking & Finance Ltd.	23/05/2007
7.	Laxmi Bank Ltd.	02/05/2008

8.	Sanima Bikash Bank	07/05/2008
9.	Ace Development Bank Ltd.	25/05/2008
10.	Gorkha Bikash Bank Ltd.	26/05/2008
11.	Business Development Bank Ltd.	29/05/2008
12.	Himchuli Bikash Bank Ltd.	30/05/2008
13.	Paschimanchal Finance Co. Ltd.	1905/2008
14.	Kist Merchant Banking & Fin. Ltd.	16/05/2008
15.	Goodwill Finance Ltd.	25/05/2008
16.	United Finance Ltd.	30/05/2008
<b>Companies Issuing Right Shares in the month of June</b>		
1.	Nepal Share Market & Finance Ltd.	09/06/1999
2.	Peoples Finance Ltd.	03/06/2003
3.	NB Finance & Leasing Co. Ltd	15/06/2004
4.	National Finance Co. Ltd	15/06/2005
5.	Nepal Share Market & Finance Ltd.	04/06/2006
6.	Siddhartha Bank Ltd	04/06/2007
7.	Lumbini Bank Ltd.	19/06/2007
8.	Annapurna Bikash Bank Ltd.	10806/2008
9.	Sahayogi Bikash Bank Ltd.	17/06/2008
10.	Nepal Express Finance Ltd.	02/06/2008
11.	Royal Merchant Banking & Fin. Ltd.	01/06/2008
12.	ICFC Bittiya Sanstha Ltd.	10/06/2008
13.	International Leasing & Finance Ltd.	09/06/2008
14.	Nepal Housing & Merchant Finance Ltd.	25/06/2008
15.	Shree Investment Finance Ltd.	23/06/2008
16.	Standard Finance Ltd.	30/06/2008
17.	Premier Insurance Ltd.	26/06/2008
<b>Companies Issuing Right Shares in the month of July</b>		
1.	Seti Cigarette Factory Ltd.	11/07/1996
2.	Everest Bank Ltd.	11/07/2001
3.	Nepal Bangladesh Bank Ltd.	16/07/2004
4.	Pokhara Finance Ltd.	20/07/2006
5.	Gorkha Finance Ltd.	13/07/2007
6.	Guheswori Merchant Banking & Fin. Ltd.	15/07/2008
7.	Nepal Awasi Bikas bitta Co. Ltd.	15/07/2008
8.	Himalayan General Insurance Ltd.	07/07/2008
<b>Companies Issuing Right Shares in the month of August</b>		
1.	Bank of Kathmandu Ltd.	31/08/2001
2.	Development Credit Bank Ltd.	24/08/2005
3.	Lumbini Bank Ltd	13/08/2006
4.	Paschimanchal Bikash Bank Ltd.	20/08/2006
5.	Nepal Credit & Commerce Bank Ltd.	07/08/2008
<b>Companies Issuing Right Shares in the month of September</b>		
1.	Nepal Investment Bank Ltd.	27/09/2002
2.	Alpic Everest Finance Ltd.	04/09/2003
3.	Alpic Everest Finance Ltd	07/09/2006
4.	Peoples Finance Ltd.	28/09/2006
5.	Central Finance Ltd.	11/09/2008
<b>Companies Issuing Right Shares in the month of October</b>		
1.	Chhimek Bikash Bank Ltd	27/10/2006
<b>Companies Issuing Right Shares in the month of November</b>		
1.	Annapurna Finance Co. Ltd	05/11/2004
2.	Nirdhan Uthan Bank Ltd.	16/11/2007
3.	Nepal Share Markets & Finance Ltd.	19/11/2007
4.	IME Financial institution Ltd.	26/11/2007
<b>Companies Issuing Right Shares in the month of December</b>		
1.	Nepal Finance & Saving Co. Ltd.	01/12/1995
2.	Nepal Bank Ltd	25/12/1997

3.	Siddhartha Finance Ltd.	09/12/2003
4.	Kumari Bank Ltd.	21/12/2005
5.	Nepal Development Bank	25/12/2006
6.	Paschimanchal Bikash Bank Ltd.	12/12/2007
7.	Bhrikuti Bikash Bank Ltd.	10/12/2007
8.	Capital Merchant Banking & Fin. Ltd.	09/12/2007

Source: Annual Reports of SEBON (Fiscal Year 2007/2008)

**Table No: 3**  
**Corporate Firms Issuing Right Share in Nepal**

Fiscal Year	S.No	Name of Issuing companies	Amount raised through rights offering (Rs.In Million)	Subscription (%)	Issue manager	Subscription Ratio
2052/53	1	Nepal Finance and Saving Co.	2.00	-	-	4:1
	2	Seti Cigarette Factory Ltd.	67.00	77.90	-	N/A
2053/54	3	Himalayan General Insurance Co.Ltd	30.00	-	AFC	N/A
	4	Bottlers Nepal Ltd.	225.20	-	CIT	4:5
	5	Nepal Share Market Ltd	20.00	100.00	AFC	1:2
2054/55	6	Nepal United Co. Ltd.	3.01	44.41	NFCL	1:1
	7	Nepal Bank Ltd.	241.95	-	CIT	1:1.5
	8	Annapurana Finance Co. Ltd.	5.00	81.72	NFCL	N/A
2055/56	9	Nepal Share Market Co. Ltd.	30.00	-	AFC	1:1
2056/57	10	Necon Air Ltd.	89.60	95.31	CIT	1:1
	11	Paschimanchal Finance Co. Ltd.	20.00	129.65	NSML	1:1
	12	Ace Finance Co. Ltd.	15.00	100.00	NSML	2:1
2057/58	13	Narayani Finance Co. Ltd	12.58	122.02	CIT	1:1
	14	Everest Bank Ltd.	119.21	27.17	NCML	1:1
2058/59	15	Bank of Kathmandu Ltd.	234.00	98.30	NCML	
	16	Nepal Housing and Merchant Finance Ltd.	15.00	100.00	NSML	
	17	Ace Finance Co. Ltd.	45.00	100.00	NSML	
	18	Nepal SBI Bank Ltd.	287.87	97.26	NMB	
	19	NIDC Capital Market Ltd.	40.00	95.00	CIT	
2059/60	20	Nepal Investment Bank Ltd.	57.24	97.42	NCML	
	21	Nepal Share Market and Finance Ltd	60.00	85.37	CIT	
	22	Mahalaxmi Finance Ltd.	25.00	-	NFCL	
	23	Peoples Finance Ltd.	20.00	56.69	NCML	
2060/61	24	Alpic Everest Finance Ltd.	20.00	100.51	NEFINSCO	
	25	Siddhartha Finance Ltd.	20.00	88.84	NEFINSCO	

	26	NB Finance & Leasing Co. Ltd.	30.00	66.84	NSMB	
2061/62	27	Nepal Bangladesh Bank Ltd.	159.92	95.26	NSMB	
	28	Annapurna Finance Ltd.	20.00	97.33	NCML	
	29	Nirdhan Uthan Bank Ltd.	15.00	65.92	NMB	
	30	Nepal SBI Bank Ltd.	215.93	96.50	NMB	
	31	Nepal Investment Bank Ltd.	295.29	99.04	AFC	
	32	National Finance Ltd.	43.20	97.06	NCML	
2062/63	33	Development Credit Bank Ltd.	80.00	95.87	NMB	2:1
	34	Kumari Bank Ltd.	125.00	153.46	NCML	4:1
	35	Fewa Finance Co. Ltd.	30.00	97.40	NMB	1:1.5
	36	OM Finance Ltd.	30.00	99.66	NMB	1:1.5
	37	Goodwill Finance Ltd.	25.00	94.96	NCML	1:1
	38	Janak Finance Co. Ltd.	10.00	98.33	NEFINSCO	2:1
	39	Central Finance Ltd.	12.00	98.32	NCML	2:1
	40	Taragaun Regency Hotel Ltd.	446.45	57.45	NCML	5:3
	41	Machhapuchhere Bank Ltd.	165.00	87.13	NMB	10:3
	42	KIST Merchant Banking and Fin. Co. Ltd.	50.00	78.01	NMB	1:1
	43	Nepal Share Market & Fin. Co. Ltd.	40.00	90.94	CIT	3:1
2063/64	44	Pokhara Finance Ltd.	20.00	99.00	NMB	2:1
	45	Lumbini Bank Ltd.	100.00	100.00	NCML	5:1
	46	Paschimanchal Bikash Bank Ltd.	28.00	76.00	NCML	1:1.4
	47	Alpic Everest Finance Ltd.	20.00	96.00	NMB	2:1
	48	Peoples Finance Ltd.	40.00	56.00	NCML	1:1
	49	Chimmek Bikash Bank Ltd.	20.00	81.00	NMB	1:2
	50	Nepal Development Bank Ltd	160.00	54.00	NCML	1:1
	51	Ace Finance Co. Ltd	194.00	99.00	NCML	1:1.53
	52	Navadurga Finance Ltd.	11.00	99.00	NEFINSCO	2:1
	53	Annapurna Finance Co. Ltd.	80.00	99.00	NCML	1:1
	54	Laxmi Bank Ltd.	122.00	98.00	NMB	5:1
	55	Capital Merchant Banking & Fin. Ltd	84.00	80.00	CIT	1:1.2
	56	Yeti Finance Ltd.	6.30	83.00	NCML	4:1
	57	Business Development Bank Ltd	30.00	100.00	AFC	1:1
	58	KIST Merchant Banking and Fin. Co. Ltd.	100.00	99.00	NCML	1:1



	59	Siddhartha Bank Ltd.	100.00	99.00	AFC	5:1
	60	Lumbini Bank Ltd	150.00	-	AFC	4:1
2064/65	61	Nepal Investment Bank Ltd.	201.30	99.00	ACE	5:1
	62	Siddhartha Bank Ltd.	138.00	99.00	NMB	5:1
	63	NIC Bank Ltd.	158.40	96.00	NCML	5:1
	64	Lumbini Bank Ltd	250.00	85.00	ACE	3:1
	65	Kumari Bank Ltd	180.00	99.00	NCML	5:1
	66	Laxmi Bank Ltd	183.00	99.00	NMB	5:1
	67	Nepal Credit & Commerce Bank Ltd	700.00	-	NCML	
	68	Paschimanchal Bikas Bank Ltd.	47.50	89.00	ACE	1:0.9
	69	Bhrikuti Bikas Bank Ltd.	30.00	97.00	NCML	1:1.25
	70	Development Credit Bank Ltd	806.40	99.00	NMB	1:3
	71	Siddhartha Bikas Bank Ltd.	50.00	-	ACE	1:1
	72	Sanima Bikas Bank Ltd.	64.00	99.00	NCML	5:1
	73	Ace Development Bank Ltd.	96.00	-	NCML	10:3
	74	Gorkha Bikas Bank Ltd.	160.00	123.00	CIT	2:1
	75	Business Development Bank Ltd	150.00	67.00	ACE	1:2.5
	76	Himchuli Bikas Bank Ltd	60.00	99.00	NCML	1:2
	77	Annapurna Bikas Bank Ltd.	150.00	-	NEFINSCO	1:2.5
	78	Sahayogi Bikas Bank Ltd.	10.00	99.00	NCML	2:1
	79	Capital Merchant Banking & Fin. Ltd	161.00	77.00	ACE	1:1
	80	Premier Finance Co. Ltd.	14.40	98.00	NCML	2:1
	81	Nirdhan Uthan Bank Ltd	39.50	-	NCML	1:1.20
	82	Central Finance Ltd.	24.00	-	NCML	2:1
	83	Nepal Merchant Banking & Finance Ltd	80.00	95.00	NFC	1:4
	84	Nepal Share Markets & Finance Ltd.	240.00	99.00	CIT	1:1.5
	85	IME Financial Institutions Ltd.	50.00	99.00	NMB	1:1
	86	Prudential Bittiya Sanstha Ltd.	50.00	86.00	ACE	1:1
	87	Paschimanchal Finance Co. Ltd	27.80	97.00	NFC	2:1
	88	Kist Merchant Banking & Fin. Ltd	600.00	85.00	ACE	1:3
	89	Goodwill Finance Ltd	50.00	99.00	ACE	1:1
	90	United Finance Ltd.	75.00	98.00	NMB	1:1
	91	Nepal Express	30.00	99.00	NCML	5:3

		Finance Ltd.				
	92	Royal Merchant Banking & Fin. Ltd	60.60	99.00	ACE	1:1
	93	ICFC Bittiya Sanstha Ltd.	224.80	85.00	ANM	1:3
	94	International Leasing & Finance Ltd.	504.00	92.00	NCML	1:3
	95	Nepal Housing & Merchant Finance. Ltd	80.40	83.00	ACE	1:1
	96	Shree Investment Finance Ltd	16.80	99.00	NMB	4:1
	97	Standard Finance Ltd.	72.60	101.00	NCML	1:1
	98	Gorkha Finance Ltd.	30.00	106.00	CIT	1:1
	99	Guheswori Merchant Banking & Fin. Ltd.	37.00	-	NCML	5:3
	100	Nepal Awas Bikas Bitta Co. Ltd	70.50	96.00	AFC	1:1
	101	Sagarmatha Insurance Co. Ltd	23.60	96.00	ACE	10:3
	102	Premier Insurance Co. Ltd.	39.00	86.00	ACE	1:1.3
	103	Himalayan General Insurance Ltd.	37.80	-	ACE	5:3

Source: Annual Reports of SEBON (Fiscal Year 2007/2008)

**Table No: 4**  
**Sector Wise Rights Issue Amount in Nepal**

S.No	Name of the companies	Issued Amount
	<b>Commercial Bank</b>	
1	Everest Bank Ltd.	119.21
2	Bank of Kathmandu Ltd.	234.00
3	Nepal SBI Bank Ltd.	287.87
4	Nepal Investment Bank Ltd.	57.24
5	Nepal Bangladesh Bank Ltd.	159.92
6	Nepal Bank Ltd.	241.95
7	Nepal SBI Bank Ltd.	215.93
8	Nepal Investment Bank Ltd.	295.29
9	Kumari Bank Ltd.	125.00
10	Machhapuchhere Bank Ltd.	165.00
11	Lumbini Bank Ltd.	100.00
12	Laxmi Bank Ltd.	122.00
13	Siddhartha Bank Ltd.	100.00
14	Lumbini Bank Ltd	150.00
15	Nepal Investment Bank Ltd.	201.30
16	Siddhartha Bank Ltd.	138.00
17	NIC Bank Ltd.	158.40
18	Lumbini Bank Ltd	250.00
19	Kumari Bank Ltd	180.00
20	Laxmi Bank Ltd	183.00
21	Nepal Credit & Commerce Bank Ltd	700.00
	<b>Total</b>	<b>4,184.11</b>

	<b>Development Bank</b>	
1	Paschimanchal Bikash Bank Ltd.	28.00
2	Chimmek Bikash Bank Ltd.	20.00
3	Nepal Development Bank Ltd	160.00
4	Business Development Bank Ltd	30.00
5	Paschimanchal Bikas Bank Ltd.	47.50
6	Bhrikuti Bikas Bank Ltd.	30.00
7	Development Credit Bank Ltd	806.40
8	Siddhartha Bikas Bank Ltd.	50.00
9	Sanima Bikas Bank Ltd.	64.00
10	Ace Development Bank Ltd.	96.00
11	Gorkha Bikas Bank Ltd.	160.00
12	Business Development Bank Ltd	150.00
13	Himchuli Bikas Bank Ltd	60.00
14	Annapurna Bikas Bank Ltd.	150.00
15	Sahayogi Bikas Bank Ltd.	10.00
16	Nirdhan Uthan Bank Ltd	39.50
17	Nirdhan Uthan Bank Ltd.	15.00
18	Development Credit Bank Ltd.	80.00
	<b>Total</b>	<b>1,996.40</b>
	<b>Finance Companies</b>	
1	Nepal Finance and Saving Co.	2.00
2	Nepal Share Market Ltd	20.00
3	Annapurana Finance Co. Ltd.	5.00
4	Nepal Share Market Co. Ltd.	30.00
5	Paschimanchal Finance Co. Ltd.	20.00
6	Ace Finance Co. Ltd.	15.00
7	Narayani Finance Co. Ltd	12.58
8	Nepal Housing and Merchant Finance Ltd.	15.00
9	Ace Finance Co. Ltd.	45.00
10	NIDC Capital Market Ltd.	40.00
11	Nepal Share Market and Finance Ltd	60.00
12	Mahalaxmi Finance Ltd.	25.00
13	Peoples Finance Ltd.	20.00
14	Alpic Everest Finance Ltd.	20.00
15	Siddhartha Finance Ltd.	20.00
16	NB Finance &Leasing Co. Ltd.	30.00
17	Annapurna Finance Ltd.	20.00
18	National Finance Ltd.	43.20
19	Fewa Finance Co. Ltd.	30.00
20	OM Finance Ltd.	30.00
21	Goodwill Finance Ltd.	25.00
22	Janak Finance Co. Ltd.	10.00
23	Central Finance Ltd.	12.00
24	KIST Merchant Banking and Fin. Co. Ltd.	50.00
25	Nepal Share Market & Fin. Co. Ltd.	40.00
26	Pokhara Finance Ltd.	20.00
27	Alpic Everest Finance Ltd.	20.00
28	Peoples Finance Ltd.	40.00
29	Ace Finance Co. Ltd	194.00
30	Navadurga Finance Ltd.	11.00
31	Annapurna Finance Co. Ltd.	80.00

32	Capital Merchant Banking & Fin.Ltd	84.00
33	Yeti Finance Ltd.	6.30
34	KIST Merchant Banking and Fin. Co. Ltd.	100.00
35	Capital Merchant Banking & Fin. Ltd	161.00
36	Premier Finance Co. Ltd.	14.40
37	Central Finance Ltd.	24.00
38	Nepal Merchant Banking & Finance Ltd	80.00
39	Nepal Share Markets & Finance Ltd.	240.00
40	IME Financial Institutions Ltd.	50.00
41	Prudential Bittiya Sanstha Ltd.	50.00
42	Paschimanchal Finance Co. Ltd	27.80
43	Kist Merchant Banking & Fin. Ltd	600.00
44	Goodwill Finance Ltd	50.00
45	United Finance Ltd.	75.00
46	Nepal Express Finance Ltd.	30.00
47	Royal Merchant Banking & Fin. Ltd	60.60
48	ICFC Bittiya Sanstha Ltd.	224.80
49	International Leasing & Finance Ltd.	504.00
50	Nepal Housing & Merchant Finance. Ltd	80.40
51	Shree Investment Finance Ltd	16.80
52	Standard Finance Ltd.	72.60
53	Gorkha Finance Ltd.	30.00
54	Guheswori Merchant Banking & Fin. Ltd.	37.00
55	Nepal Awas Bikas Bitta Co. Ltd	70.50
	<b>Total</b>	<b>3,693.98</b>
	<b>Insurance Companies</b>	
1	Himalayan General Insurance Co.Ltd	30.00
2	Sagarmatha Insurance Co. Ltd	23.60
3	Premier Insurance Co. Ltd.	39.00
4	Himalayan General Insurance Ltd.	37.80
	<b>Total</b>	<b>130.40</b>
	<b>Hotels</b>	
1	Taragaun Regency Hotel Ltd.	446.45
	<b>Total</b>	<b>446.45</b>
	<b>Manufacturing &amp; Processing Companies</b>	
1	Bottlers Nepal Ltd.	225.20
	Seti Cigarette Factory Ltd.	67.00
	<b>Total</b>	<b>292.20</b>
1	<b>Trading Companies</b>	
	Nepal United Co. Ltd.	3.01
	<b>Other companies</b>	
1	Necon Air Ltd.	89.60
	<b>Total</b>	<b>89.60</b>

Source: Annual Report of SEBON, FY 2007/2008

**Table No: 5**  
**Subscription of right share in Nepal**

S.N	Name of Issuing companies	Subscription (%)	Remarks
1	Everest Bank Ltd.	27.17	Under Subscription
2	Nepal United Co. Ltd.	44.41	Under Subscription
3	Nepal Development Bank Ltd	54.00	Under Subscription

4	Peoples Finance Ltd.	56.00	Under Subscription
5	Peoples Finance Ltd.	56.69	Under Subscription
6	Taragaun Regency Hotel Ltd.	57.45	Under Subscription
7	Nirdhan Uthan Bank Ltd.	65.92	Under Subscription
8	NB Finance & Leasing Co. Ltd.	66.84	Under Subscription
9	Business Development Bank Ltd	67.00	Under Subscription
10	Paschimanchal Bikash Bank Ltd.	76.00	Under Subscription
11	Capital Merchant Banking & Fin. Ltd	77.00	Under Subscription
12	Seti Cigarette Factory Ltd.	77.90	Under Subscription
13	KIST Merchant Banking and Fin. Co. Ltd.	78.01	Under Subscription
14	Capital Merchant Banking & Fin. Ltd	80.00	Under Subscription
15	Chimmek Bikash Bank Ltd.	81.00	Under Subscription
16	Annapurana Finance Co. Ltd.	81.72	Under Subscription
17	Yeti Finance Ltd.	83.00	Under Subscription
18	Nepal Housing & Merchant Finance. Ltd	83.00	Under Subscription
19	Lumbini Bank Ltd	85.00	Under Subscription
20	Kist Merchant Banking & Fin. Ltd	85.00	Under Subscription
21	ICFC Bittiya Sanstha Ltd.	85.00	Under Subscription
22	Nepal Share Market and Finance Ltd	85.37	Under Subscription
23	Prudential Bittiya Sanstha Ltd.	86.00	Under Subscription
24	Premier Insurance Co. Ltd.	86.00	Under Subscription
25	Machhapuchhere Bank Ltd.	87.13	Under Subscription
26	Siddhartha Finance Ltd.	88.84	Under Subscription
27	Paschimanchal Bikas Bank Ltd.	89.00	Under Subscription
28	Nepal Share Market & Fin. Co. Ltd.	90.94	Under Subscription
29	International Leasing & Finance Ltd.	92.00	Under Subscription
30	Goodwill Finance Ltd.	94.96	Under Subscription
31	NIDC Capital Market Ltd.	95.00	Under Subscription
32	Nepal Merchant Banking & Finance Ltd	95.00	Under Subscription
33	Nepal Bangladesh Bank Ltd.	95.26	Under Subscription
34	Necon Air Ltd.	95.31	Under Subscription
35	Development Credit Bank Ltd.	95.87	Under Subscription
36	Alpic Everest Finance Ltd.	96.00	Under Subscription
37	NIC Bank Ltd.	96.00	Under Subscription
38	Nepal Awas Bikas Bitta Co. Ltd	96.00	Under Subscription
39	Sagarmatha Insurance Co. Ltd	96.00	Under Subscription
40	Nepal SBI Bank Ltd.	96.50	Under Subscription
41	Bhrikuti Bikas Bank Ltd.	97.00	Under Subscription
42	Paschimanchal Finance Co. Ltd	97.00	Under Subscription
43	National Finance Ltd.	97.06	Under Subscription
44	Nepal SBI Bank Ltd.	97.26	Under Subscription
45	Annapurna Finance Ltd.	97.33	Under Subscription
46	Fewa Finance Co. Ltd.	97.40	Under Subscription
47	Nepal Investment Bank Ltd.	97.42	Under Subscription
48	Laxmi Bank Ltd.	98.00	Under Subscription
49	Premier Finance Co. Ltd.	98.00	Under Subscription
50	United Finance Ltd.	98.00	Under Subscription
51	Bank of Kathmandu Ltd.	98.30	Under Subscription
52	Central Finance Ltd.	98.32	Under Subscription
53	Janak Finance Co. Ltd.	98.33	Under Subscription
54	Pokhara Finance Ltd.	99.00	Under Subscription
55	Ace Finance Co. Ltd	99.00	Under Subscription

56	Navadurga Finance Ltd.	99.00	Under Subscription
57	Annapurna Finance Co. Ltd.	99.00	Under Subscription
58	KIST Merchant Banking and Fin. Co. Ltd.	99.00	Under Subscription
59	Siddhartha Bank Ltd.	99.00	Under Subscription
60	Nepal Investment Bank Ltd.	99.00	Under Subscription
61	Siddhartha Bank Ltd.	99.00	Under Subscription
62	Kumari Bank Ltd	99.00	Under Subscription
63	Laxmi Bank Ltd	99.00	Under Subscription
64	Development Credit Bank Ltd	99.00	Under Subscription
65	Sanima Bikas Bank Ltd.	99.00	Under Subscription
66	Himchuli Bikas Bank Ltd	99.00	Under Subscription
67	Sahayogi Bikas Bank Ltd.	99.00	Under Subscription
68	Nepal Share Markets & Finance Ltd.	99.00	Under Subscription
69	IME Financial Institutions Ltd.	99.00	Under Subscription
70	Goodwill Finance Ltd	99.00	Under Subscription
71	Nepal Express Finance Ltd.	99.00	Under Subscription
72	Royal Merchant Banking & Fin. Ltd	99.00	Under Subscription
73	Shree Investment Finance Ltd	99.00	Under Subscription
74	Nepal Investment Bank Ltd.	99.04	Under Subscription
75	OM Finance Ltd.	99.66	Under Subscription
1	Nepal Share Market Ltd	100.00	Full Subscription
2	Ace Finance Co. Ltd.	100.00	Full Subscription
3	Nepal Housing and Merchant Finance Ltd.	100.00	Full Subscription
4	Ace Finance Co. Ltd.	100.00	Full Subscription
5	Lumbini Bank Ltd.	100.00	Full Subscription
6	Business Development Bank Ltd	100.00	Full Subscription
1	Alpic Everest Finance Ltd.	100.51	Over Subscription
2	Standard Finance Ltd.	101.00	Over Subscription
3	Gorkha Finance Ltd.	106.00	Over Subscription
4	Narayani Finance Co. Ltd	122.02	Over Subscription
5	Gorkha Bikas Bank Ltd.	123.00	Over Subscription
6	Paschimanchal Finance Co. Ltd.	129.65	Over Subscription
7	Kumari Bank Ltd.	153.46	Over Subscription
1	Ace Development Bank Ltd.	-	Data not available
2	Nepal Finance and Saving Co.	-	Data not available
3	Himalayan General Insurance Co.Ltd	-	Data not available
4	Bottlers Nepal Ltd.	-	Data not available
5	Nepal Bank Ltd.	-	Data not available
6	Nepal Share Market Co. Ltd.	-	Data not available
7	Mahalaxmi Finance Ltd.	-	Data not available
8	Lumbini Bank Ltd	-	Data not available
9	Nepal Credit & Commerce Bank Ltd	-	Data not available
10	Siddhartha Bikas Bank Ltd.	-	Data not available
11	Annapurna Bikas Bank Ltd.	-	Data not available
12	Nirdhan Uthan Bank Ltd	-	Data not available
13	Central Finance Ltd.	-	Data not available
14	Guheswori Merchant Banking & Fin. Ltd.	-	Data not available
15	Himalayan General Insurance Ltd.	-	Data not available

Source: Annual Report of SEBON, FY 2007/2008

# Questionnaire

Dear respondent,

This questioner is prepared for my research on "*A Case Study on Right Offering & Its Impact on Stock Price in Nepalese Market.*" which help me to the partial fulfillment for the degree of Master of Business Studies (MBS). I modestly request you to fill at the best knowledge. Your cooperation will be highly appreciated.

I assured that the information collected from you will be exclusively used for the research purpose only and will not be published in any media.

I shall be highly obliged for your response as for as possible.

Thank You.

Kiran Maharjan

Researcher

Shanker Dev Campus

Putalisadak, Kathmandu.

Name: -

Date:-

Organization: -

Designation:-

Address: -

Occupation:-

1. In your opinion, what is the reason for Issuing Right Share?
  - a) To fulfill needed extra capital
  - b) To meet directives of NRB
  - c) To give benefit to shareholders
  - d) Any other
2. In your opinion, who are the beneficiaries of the right offering?
  - a) Shareholders with rights
  - b) Issuing Company
  - c) Security Brokers
  - d) All of them
  - e) Don't Know
3. Will you be interested to buy rights share if your company offer?
  - (a) Yes
  - (b) No

Do you think that investor get reliable information from the company regarding right share issue?

  - (a) Yes
  - (b) No

If yes, what is the source of information?

  - a) Magazines/Newspaper
  - b) Expertise
  - c) Friends
  - d) Any other.....
4. Do you think that investors are well aware all the phenomenon of right offering?
  - a) All of them
  - b) None of them
  - c) Very few of them
  - d) Majority of them
  - e) Don't know
5. What do you think, right share issues and its impact on stock price movement?

- a) Should raise [ ]
- b) Should be fall [ ]
- c) Remains constant [ ]
- d) Don't know [ ]
6. Rank the following factors from highest (1) to lowest (6) in terms of the effect on share price fluctuation
- a) Dividend announcement [ ]
- b) Right issue announcement [ ]
- c) Political condition [ ]
- d) Economic condition (inflation, deflation, interest rates etc.) [ ]
- e) Directives of regulatory body [ ]
- f) Natural disasters [ ]
7. Do you think that investors calculate of wealth position after Right Share Announcement?
- a) All [ ]
- b) Most of them [ ]
- c) None [ ]
- d) Few investor [ ]
8. In your experience, what is the trend of right share issues in Nepal?
- a) Increasing trend [ ]
- b) Decreasing trend [ ]
- c) As it was in the past [ ]
9. Do you think that Nepalese corporate firm increasingly practices the right share?
- (c) Slightly agree
- (d) Agree [ ]
- (e) Neutral [ ]
- (f) Disagree [ ]
10. Your opinion regarding legally transferable instrument called "right"?
- a) Current provision is satisfactory [ ]
- b) Should be transferable [ ]
- c) Should not be transferable [ ]
- d) Don't know [ ]
11. Right are not being fully subscribed because
- a) Investor lack of knowledge about it [ ]
- b) Inadequate legal provision [ ]
- c) Promotional role played by the company is insufficient [ ]
- d) Past performance of organization [ ]
- e) Others (specify) .....
12. What sorts of the problem do the investors face? If the right instrument is absent in the right offering?
- a) Existing shareholders cannot sell their right if they want [ ]
- b) They are bound to lose if they do not exercise their right [ ]
- c) Total wealth of the existing shareholder remains unaffected [ ]
- d) Any others.....
13. In your opinion, what do you think about the current legal provision regarding the rights offering to the existing shareholders?
- a) Adequate [ ]
- b) Inadequate [ ]
- c) Don't know [ ]

If inadequate, what amendments in the company act and in others are needed?



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14. Which of the following analysis do you perform while buying or selling stocks?

- a) Economic analysis [ ]
- b) Industry analysis [ ]
- c) Company analysis [ ]
- d) Stock price valuation [ ]
- e) None of the above [ ]

Any experience about right offering that you want to share with us? Please

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