

## SYSTEMATIC DEVELOPMENT OF FINANCIAL MARKETS IN NEPAL

Dear Patrons,

I would like to express my sincere and heartfelt appreciation for your continued outstanding support and cooperation.

Over the course of the past two years, MEX has enjoyed sustained liquidity growth driven by the robust link to supply and demand fundamentals.

I take this opportunity to thank our stakeholders for their support and look forward to continued growth in 2011.

As we celebrate our 2nd anniversary, we look forward to working with our clients, members, shareholders and industry stakeholders over the coming year to cement MEX as the most fair and transparent pricing benchmark for the Nepalese markets.

We have been attracting various investments from abroad towards Nepal in the past years, but the lack of regulatory body for this industry has been a major setback in realizing these opportunities. We hope that the years ahead will pave way for making the regulatory body for the commodity market a reality and also protect this industry from unscrupulous tainted entities from entering the sector, and also to ensure that the current operators are giving a fair and transparent

market place for the participants and also in abiding the tax policies of the government, uniformly, which has been a matter of concern for quite some time.

MEX has been continuously strategizing the development of the exchange in line with its philosophy of "Systematic Development of Financial Markets in Nepal through Information, Innovation, Education and Research."

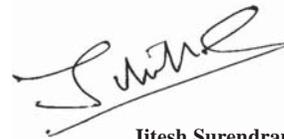
We have been continuously researching on the establishment of warehousing, ware house receipts and to enable deliverable products in the Nepal Spot Exchange trading platform (for the very purpose MEX has promoted NSE). Though this remains a very big challenge for us and also for the nation itself, we are in no way letting this pass off easily, without achieving these challenges. In the coming year we will be more closely working with the Govt bodies to make everyone understand the need of a centralized warehouse system across the country to ultimately benefits the farmer community of the nation.

In the course of time, we have learned that many of the market participants needs to be continuously educated about our systems, in the coming year we will be making use of all modes of information dissemination to educate the mid user and end user.

More products are being researched for being added for trading, which will ultimately help the end user to diversify their risk portfolio.

We appreciate the continued support we had been getting from various government bodies of the nation for helping us to make this a very fair and transparent market place. The revenue contribution made in the fiscal year has been the highest superseding any industry within this short period of growth.

Thank you,



**Jitesh Surendran**  
CEO

