

1. Background

Capital mobilization has paramount importance in the economic development of a country. And savings is indispensable for capital mobilization. Capital for investment is accumulated through small and regular savings. Hence, savings is the foundation of investment. Savings and its effective investment are essential to uplift the living standard of the people and usher the country towards the path of development and prosperity. Capital market is an integral part of a modern economy for institutional mobilization of capital. Without the development of capital market, increase in national income, production and employment is not possible. In this context, Citizen Investment Trust (CIT) was established 25 years ago with the main objective of encouraging employed individuals and general public towards savings and making them participants in investment and development of the capital market. CIT, which was established as a Trustee Institution, has given due care to the interests of its clients, and has gradually increased in size to contribute towards national development.

From the time of its establishment, CIT has been actively working towards fulfilling the objectives and duties mentioned in the Citizen Investment Trust Act. Various savings programs are being run from the time of its establishment. It has been running voluntary retirement fund targeting government and private sector employees and workers. CIT has also been gradually enhancing its efficacy for mobilization of savings. For the very reason that the participants are given satisfactory return, there is continuous increase in the number of participants in the program.

CIT has been running a range of innovative programs to encompass various aspects of national economy and to promote savings and increase investment. Insurance Fund Plan is another important social security program. Under this program, CIT has been operating Civil Service Insurance Fund Scheme, Teacher's Insurance Fund Scheme and Army Insurance Fund Scheme.

CIT has also incorporated Institutional Fund Management Plan. In order to manage the liabilities of corporate institutions, CIT has been carrying on Investor's Accounts Scheme and Gratuity and Pension Fund Scheme under the approved retirement fund. Additionally, in order to bolster the capital market, CIT has been collecting savings through Citizen Unit Scheme, which has contributed in the economic development of the country. These types of savings schemes have been continuing without fail.

A strong capital market is necessary to strengthen the economy of a country. However, Nepal's capital market is still in its nascent phase. From the time of its inception, CIT has been playing an important role in strengthening the capital market of the country. CIT has been providing share issue services at the time of initial public offering (IPO) of shares by various institutions. It has also been providing other services in relation to capital markets. Due to various innovative schemes, long term savings in CIT has been gradually increasing, thus providing more investment opportunities. Moreover, funds to finance large scale national projects are also being raised at the same time.

It is the need of hour that CIT carry out its activities more effectively within the work procedures and rights guaranteed by the CIT Act. Some schemes as stated in the CIT Act have still not been

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implemented. Thus, CIT needs to carry out additional programs as per the call of the hour. The law has given the mandate to CIT to establish subsidiary companies for the development of capital market in the country. For that purpose, a subsidiary company needs to be established to play a formidable role in development of capital market of the country. A modern economy cannot be envisaged without accelerating stock market transactions. But at the same time stability is also needed in the stock market. So, one of the objectives behind the establishment of CIT is also to contribute towards making the stock market more resilient. It is necessary that CIT comes up with the plan, policies and programs to make consultancy service related to capital markets even more effective for the development of the stock market. The role of the market maker must be made professional as well all-encompassing. Services, including that of IPO, need to be made more smart and competitive.

The scope of the Citizen Investment Trust is gradually becoming extensive. Other institutions similar to CIT have also been making their presence felt in the market. This has created a kind of a competitive environment in the market. CIT should make use of this competitive environment to its advantage. Competition should be assimilated and institutional capacity and service should be diversified. Clear destination should be identified to move towards the desired goal. As per the demand of time, short-term, midterm and long-term strategic periodic plan should be prepared. The strategy to develop CIT as a dynamic institution is the need of the hour.

2. Major Problems and Challenges

From the time of its establishment, Citizen Investment Trust has been striving towards achieving the pre-determined goals and objectives. The achievements of CIT so far hint that it is goal-oriented institution. CIT is found to be aware of the policies and programmes required to be followed while moving towards its objectives.

The size of Fund is growing extensively. Collection of savings is gradually increasing. Investment has increased and with the increase in size of the capital market, service delivery is becoming more strenuous. CIT has been accomplishing its work through limited human resources. It has not been able to align itself with information technology requirements as per its nature of work. There are many obstacles which have hindered CIT to move forward in a more effective manner. The obstacles faced by CIT were identified during the preparation of strategic plan. Having the knowledge of one's factual position is also a step towards improvement. It is not easy to augment the capability of CIT in the existing structure. Progress and diversification of its working area is crucial for its growth. Concurrently, the demands, expectations and needs of the targeted group have been continuously increasing. CIT has also been facing various challenges while fulfilling the demands, expectations and needs of beneficiaries. Complaints are being received. The situation is not without any challenges. Preparation of this Strategic Plan has also brought the problems faced by CIT to the surface. If the problems cannot be addressed and resolved in time, it may bring up additional challenges. Though CIT is facing some problems and challenges, it is not that they cannot be resolved. The analysis of the problems and challenges during the time of preparation of the Strategic Plan has also helped to script the problems and challenges that CIT will face or may face in the future.

The most pertinent challenge faced by CIT is that of working area. Even though it has been providing services to clients throughout the country, it has not been able to build necessary infrastructures and set up branch offices accordingly. Foreign employment and remittance from the same has transformed the makeup of the national economy. This trend is still on rise. CIT should address the composition of the remittance economy. It is necessary to put aside a small portion of the money earned by Nepalese people employed abroad for savings. Even though the challenges may be high, CIT should expand its scope to cover these areas by launching savings and insurance plans. Although expanding its scope and developing the infrastructure necessary for this seems to be a challenge, the novel venture has created unprecedented opportunities for CIT.

CIT is experiencing a surge in savings. It is necessary for CIT to increase its investment in mega projects for the development of national economy. The accumulated funds must be invested in areas guaranteeing high return. Clearly, it has become much more difficult to meet even the operational expenses from the returns from traditional investment structure. Considering the current economic and political situation of the country, it is not easy to determine high return yielding sectors. This is also a major problem. In the present context, it is necessary that investment be made by selecting attractive projects. Due to limitations in investment opportunities, the funds of CIT are confined in low interest generating accounts of banks and financial institutions. Another major problem faced by CIT is to gradually minimize the concentration of investments in Banks and Financial Institutions. Participants of CIT are getting higher returns. How to give continuity to this trend is also another problem as well as a challenge.

Citizen Investment Trust is not the sole organization providing such services in the market at the moment. Emergence of various organizations like CIT has created competition in the market. Therefore, inability to manage the activities of CIT in a completely new way and make it more effective may create many problems for CIT in the future. Human resources are the pillars of any organizations. Although experiencing a growth in its business/transactions, CIT has not been able to develop an efficient human resources management system. CIT may face added problems if human resources familiar with information technology could not be developed. The crux is that the Strategic Plan has been able to determine major problems faced by CIT and has suggested remedies to solve them.

The Strategic Plan has been formulated to face the aforementioned problems and challenges. All the problems faced by CIT can and would be solved. There exists no problem which cannot be solved through careful planning. The Strategic Plan will provide a new direction to CIT by resolving the problems faced by it. The enthusiasm and unity witnessed during the preparation of the Strategic Plan has provided new impetus to CIT.

The problems being faced by CIT have been identified during preparation of the Strategic Plan. These problems were identified by the employees of CIT. Any suggestion to identify the vexing problems is always valuable. However, problems which have been pointed out cannot be rectified in the existing situation. Some problems are related to policy, while some are associated with the institution. Since the problems were not resolved in a timely manner, challenges have also been

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steadily mounting. The Strategic Plan has identified problems in time and has suggested ways to rectify them. Determining new avenues of investment is another challenge. Its area of work and scope needs to be expanded in the national and international level, but it is not without its challenges. Human resources should be kept abreast with the latest technological advancement and skills, which is equally challenging. CIT is in an influential position to transform challenges into opportunities. The true potential of CIT was felt during the preparation of the Strategic Plan. New vistas of opportunities will be opened before CIT while overcoming the challenges faced by it. (For detailed information refer Annex 1 and Annex 2)

3. Public Confidence and Immense Possibilities

CIT is protected and supported by the Government of Nepal. It does not work on the whims of any individual or investor. Because of its ownership and structure, CIT enjoys a high level of public confidence. This trust on CIT has been instrumental in converting its immense possibilities into opportunities.

CIT can become play a more effective and supportive role in the economic and social development of Nepal. For that purpose, the government needs to have a friendly attitude towards CIT and its activities. Having large number of employees associated with governmental and non-governmental organizations as its service recipient, CIT enjoys massive public trust and confidence. As CIT becomes more influential, this public trust may increase further. Adequate opportunities have been provided to CIT to diversify its area of work in the field of capital market service as specified in the CIT Act.

There are vast areas where CIT can diversify its investment. After the devastating earthquake, the nation is entering into a period of reconstruction and renovation. It is necessary to come up with many new projects to give impetus to infrastructure development. At the same time, new avenues for domestic investment will be identified, while the scope of infrastructure development will also grow.

Nepal has expressed commitment to uplift itself from an underdeveloped country to a developing country by 2022 AD. For this, the government is formulating various plans. It has become imperative that CIT be established as a premier institution capable of making vital contribution to fulfill the national aspirations. New investment prospects are also an opportunity for CIT to display its expertise. Through the help of this Strategic Plan, avenues for savings collection and investments in various prospective sectors shall gradually open.

Actually, there exist a triangular relationship between problems, challenges, and opportunities. Problems create challenges, and which in turn hinder opportunities and decreases possibilities. Taking steps to resolving problems and facing challenges up front directs one towards goals. While steadily moving towards one's goals, not only do the problems get solved and challenges get tackled boldly, but it also creates good opportunities. New possibilities begin to appear automatically. National expectations will also manifest new possibilities. The new circumstances not only create

golden opportunities but also paves path to move ahead. The analysis of problems, challenges and possibilities has made the opportunities that lay before CIT much more clear.

4. Long-term Goal (Vision and Mission)

The CIT Act has proposed CIT as a premier institution to mobilize funds nationally and internationally and contribute in the economic development of the country. But all the provisions envisioned by the Act have not been found to be implemented. CIT is continuously functioning in its own manner.

During the preparation of this Strategic Plan, discussion was held on an assortment of topics. Detailed interaction was held on the subject of providing new directions to CIT both in the policy level and legal level. Policy and legal provisions may be the subject matter of assessment and review, but they cannot block CIT to move ahead towards long-term vision and mission. The difficulties that may arise while carrying out the prescribed activities will itself initiate the drive for the improvement or amendment of policies and legal processes.

4.1 Vision

The Citizen Investment Trust should strive to encompass wide sectors. The investment of the fund collected from limited programs of the existing domestic market in very confined, traditional sectors will not fulfill the long term vision of CIT. About 4 million Nepalese brothers and sisters are currently working abroad (excluding India). More than Rs 500 billion in remittance flows into the country annually. But a large part of the remittance thus received is spent in consumption rather than going into savings or investment. Liquidity in Banking and Financial sector has increased; as a result of which the interest rate has been decreased to single digit. And this has made it very difficult to manage the ever growing savings at CIT. High return oriented investment program have not been developed. Due to economic and non-economic reasons, capital market has failed to become dynamic. To collect savings inside and outside the country in such circumstances, CIT should formulate plans for diversification. Investment should be diversified, and in order to make the capital market more robust and efficient, CIT should play the role of a market maker. Hence, it is desirable that the long term vision be as -

"Operating social welfare savings and mutual fund program, efficient investment management of collected fund and establishing itself as a premier institution in the capital market, thereby to contribute towards prosperity of the nation."

Inherent issues in the vision

Savings and Mutual Fund Program: Retirement fund, Insurance fund, Pension Fund, Mutual Fund
Efficient Investment Management: Secured and profitable investment diversification on the basis of risk analysis

Capital Market Service: Market maker, share issue manager and registrar service, share

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underwriting, consultancy service.

National prosperity: Economic, social and infrastructure development

4.2 Mission

An institution will fail to secure a brighter future if it is unable to generate higher returns by decreasing the managerial and administrative expenses. For that purpose, Information Technology aligned, less expensive and client-oriented plans, policies, and programs are preferred.

Skilled human resources adept with latest technology, work procedures that can assimilate new technology, development of integrated software as per the nature of the work CIT is involved in, investment priority and managerial working system with financial analysis etc. are the future goals of CIT. The main mission of CIT is to steer the nation towards self sufficient economy and to provide qualitative returns in the earnings of Nepalese citizens, while accomplishing the dream of national prosperity. For that purpose, collaboration and partnership in national and international level may be necessary. Quality Service should be provided by mobilization of resources and programs which give good return should be given priority. Hence, it is essential that the long-term objective be perceived as -

"To expand Savings and Mutual Fund Program, manage investment and provide capital market services on the basis of Co-operation and partnership, contemporary management practices, research and development, optimum mobilization of resources, latest information technology, effective client service, good governance and fair competition"

5. Core Values

Certain norms and working style establish the values of any individual or organization. The values established through professional norms and ethics reflects the working principle of the institution. Following are the core values of CIT:

- Principles of fiscal discipline, financial stability and good governance shall be adhered to and every activity shall be made result-oriented.
- All the policies, rules and activities shall be in the benefit of CIT.
- Considering its core responsibility, CIT shall carry out explorative and reformative activities and provide quality and efficient services to clients.
- CIT shall fulfill its corporate social responsibility in its work area
- CIT shall carry out healthy competition in the market and shall be committed to fulfill its leadership role in the market.
- The employees shall be motivated and made accountable towards the work and responsibilities of CIT
- Modernizing the information technology unit, timely and hassle-free services shall be provided
- Participative management procedures shall be given the highest priority

6. Achievements

CIT has been providing services in special sectors from the time of its establishment. The achievements of CIT in the areas of savings program, investment management and capital market development are important in themselves. Information on the achievements of CIT can be found in the following ways:

6.1 Savings Collection

CIT has been operating savings and mutual fund schemes by targeting employees of government and non-government sector, the general public, including various institutions. From the programs operated by CIT, Rs. 67.22 billion has been collected till the mid of July 2015. Details of Savings and mutual funds schemes currently in operation, its participants and accumulated funds are as follows:

S.N.	Program	Operation date(B.S.)	Number of participants	Collected amount (NRs. in 10 million)		
				FY 071/72	FY070/71	FY069/70
1	Employee savings growth retirement fund program	2048	161,000	4,407	3,285	2,699
2	Gratuity Fund Scheme	2053	22,000	1,110	938	758
3	Investor's Accounts Scheme	2054	10,000	283	239	209
4	Citizen Unit Scheme	2052	1,700	155	100	47
5	Civil Service Insurance Fund Scheme	2062	80,000	385	340	297
6	Teacher's Insurance Fund Scheme	2064	82,000	270	235	212
7	Army Insurance Fund Scheme	2069	97,000	106	65	23
8	Institution/ corporation Insurance Fund	2067	1,500	6	6	5
Total			455,200	6,722	5,208	4,250

6.2 Investment :

The deposits collected from various savings and mutual fund schemes have been invested in a transparent and efficient manner. CIT has mobilized Rs. 59.10 billion in investments till mid July 2015. The sectors where CIT has channeled its investment are as follows:

S.N.	Areas of Investment	Collected amount (NRs. in 10 million)		
		FY 071/72	FY070/71	FY069/70
1	Government bond & debentures	259	247	252
2	Fixed interest bearing instruments (fixed deposit)	3,535	2,149	2,173
3	Term loan	840	1,096	698
4	Shares and debentures of institution	379	232	296
5	Participants loan and home loan	897	684	519
Total		5,910	4,408	3,938

6.3 Capital Market Service

Right from its establishment, CIT has been playing the role of a premier institution for providing merchant banking service for the development of capital market. CIT has been providing share

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issue manager service, share underwriting service, share registrar service and debenture trustee service for the following organizations and institutions:

S.N.	Capital market service	No. of institution	Transaction amount (NRs. in 10 million)	Remarks
1	Issue manager service	54	1,374.00	
2	Share underwriting	10	85.00	
3	Registrar service	03	350.00	
4	Debenture trustee	01	20.00	

7. Triangular Business Pillar

a. Savings Program:

To promote social welfare, current savings based program will be continued and savings program effectively diversified. In this process, there shall be attempts to increase access to domestic markets as well as foreign markets where Nepalese people have shed their blood and sweat.

b. Investment Management:

Various tool & strategies shall be used to invest the funds collected in profitable sectors. Investment sector will be focused in the areas of income, production and employment generation, which will help in achieving national prosperity.

c. Capital Markets Service:

The capital market service of CIT shall be operated in a manner so as to make the capital market the backbone of national economy. IPO management, market maker, investment advisory service and promotional works will be institutionalized on the basis of professional values and principles.

8. Business Goals, Objectives and Achievements (in Log Frame)

CIT's area of work can be divided into three business areas on the basis of works performed by it till now. Under each business area, the business plan and work log frame featuring goals, objective and outputs index of the five year period are presented as follows:

Business Area: Savings Program

Particulars	Indicator	Basis of verification	Risk Factors																																												
Goal To increase the fund through different Savings and Mutual Fund Schemes	Saving programs currently under operation: 1) Employee Savings Increment Retirement Scheme 2) Gratuity Scheme 3) Investor's Accounts Scheme 4) Citizens Unit Scheme 5) Civil Service Insurance Fund 6) Teacher's Insurance Scheme 7) Army Insurance Scheme 8) NARC Insurance Fund Scheme, will be extended to 14 schemes during the plan period.	Annual Reports of CIT and Program Reviews																																													
	<table border="1"> <thead> <tr> <th rowspan="2">Indicators</th> <th colspan="8">Financial Year</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>No. of programs</td> <td>8</td> <td>10</td> <td>11</td> <td>12</td> <td>13</td> <td>14</td> <td colspan="2"></td> </tr> <tr> <td>Funds Collected</td> <td>64.50 Billion</td> <td>77.40 Billion</td> <td>89.01 Billion</td> <td>102.36 Billion</td> <td>117.71 Billion</td> <td>135.37 Billion</td> <td colspan="2"></td> </tr> </tbody> </table>			Indicators	Financial Year								71/72 (Current)	72/73	73/74	74/75	75/76	76/77			No. of programs	8	10	11	12	13	14			Funds Collected	64.50 Billion	77.40 Billion	89.01 Billion	102.36 Billion	117.71 Billion	135.37 Billion											
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Objective 1 1. To attract Nepali citizens residing in the country and abroad towards the programs of the Trust.	<table border="1"> <thead> <tr> <th rowspan="2">Indicators</th> <th colspan="8">Financial Year</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> <th colspan="2"></th> </tr> </thead> <tbody> <tr> <td>Domestic Organization</td> <td>50, Thousand</td> <td>55 Thousand</td> <td>60.5 Thousand</td> <td>63.53 Thousand</td> <td>66.70 Thousand</td> <td>70.04 Thousand</td> <td colspan="2"></td> </tr> <tr> <td>No. of Participants</td> <td>450 Thousand</td> <td>495 Thousand</td> <td>545 Thousand</td> <td>599 Thousand</td> <td>659 Thousand</td> <td>725 Thousand</td> <td colspan="2"></td> </tr> <tr> <td>International Participants</td> <td></td> <td></td> <td>10 Thousand</td> <td>18 Thousand</td> <td>32.4 Thousand</td> <td>50 Thousand</td> <td colspan="2"></td> </tr> </tbody> </table>	Indicators	Financial Year								71/72 (Current)	72/73	73/74	74/75	75/76	76/77			Domestic Organization	50, Thousand	55 Thousand	60.5 Thousand	63.53 Thousand	66.70 Thousand	70.04 Thousand			No. of Participants	450 Thousand	495 Thousand	545 Thousand	599 Thousand	659 Thousand	725 Thousand			International Participants			10 Thousand	18 Thousand	32.4 Thousand	50 Thousand			Management Information System (Information and Technology Division) Periodic Policy and Program Survey Reports- Planning and Research Division	Current economic and financial policy of Nepal Government will remain as it is.
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<p>Outputs:</p> <p>2.1. Programs of the Trust will be made accessible to all.</p>	<p>Indicators</p> <p>Promotional activities of programs will be carried out at regional level</p> <p>Services of the Trust will be provided from regional and branch offices</p>	FY							<p>Consent for program operation from the Ministry of Finance, Government of Nepal will have been obtained.</p>
		71/72 (Current)	72/73	73/74	74/75	75/76	76/77		
		-	2	3	4	5	6	7	

Business Area: Investment Management

Goal	Indicator	Basis of verification										Risk Factors	
Goal													
To diversify the investment of the Trust in secure and profitable areas on the basis of risk analysis.	Indicators	FY										Periodic reports of Investment Division, Annual Program Review	
	Investment amount (Rs.)	71/72 (Current)	72/73	73/74	74/75	75/76	76/77						
	Average Investment Return Rate (in Percent)	62.93 Billion	69.66 Billion	80.11 Billion	92.12 Billion	105.94 Billion	121.83 Billion	7%	7.5%	8%	8.5%	8.750%	9.25%
	Attempt to recover bad investment and interest collection.	-	20%	30%	50%	-	-						
Objective 1													
1. Investment will have been made in priority sectors (Hydropower sector, infrastructure development, productive sector, tourism and export promotion, capital market)	Indicators	Financial Year										Periodic reports of Investment Division, Annual Program Review	
	Investment in national pride projects (in % of total investment)	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	12%	15%	20%	25%	25%	25%
	Investment in Share, Government debenture, Institutional debenture (in percent)	11%	14%	15%	18%	18%	20%						
Outputs:													

<p>1.1. Diversification in other investment areas.</p>	<table border="1"> <thead> <tr> <th rowspan="2">Indicators</th> <th colspan="7">FY</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> <th></th> </tr> </thead> <tbody> <tr> <td>Investment in Hydropower Projects (%)</td> <td>1.20 Billion</td> <td>4%</td> <td>5%</td> <td>6%</td> <td>6%</td> <td>6%</td> <td>6%</td> </tr> <tr> <td>Investment in infrastructure development (roadways, transmission lines, tunnels) (%)</td> <td></td> <td>1%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Investment in productive sector (agriculture, industry) (%)</td> <td></td> <td>1%</td> <td>1%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Investment in tourism sector (hotel, airport) (%)</td> <td></td> <td>1%</td> <td>1%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> </tr> <tr> <td>Investment in entities that give fixed interest (%)</td> <td>36 Billion</td> <td>50%</td> <td>45%</td> <td>40%</td> <td>35%</td> <td>30%</td> <td>30%</td> </tr> <tr> <td>Investment in Term Loan (%)</td> <td></td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> <td>10%</td> </tr> <tr> <td>Investment in Venture Capital (%)</td> <td></td> <td>-</td> <td>-</td> <td>1%</td> <td>1%</td> <td>1%</td> <td>1%</td> </tr> <tr> <td>Investment in shares of organizations (primary/secondary market)</td> <td>2.53 Billion</td> <td>8%</td> <td>9%</td> <td>10%</td> <td>11%</td> <td>12%</td> <td>12%</td> </tr> </tbody> </table>	Indicators	FY							71/72 (Current)	72/73	73/74	74/75	75/76	76/77		Investment in Hydropower Projects (%)	1.20 Billion	4%	5%	6%	6%	6%	6%	Investment in infrastructure development (roadways, transmission lines, tunnels) (%)		1%	2%	2%	2%	2%	2%	Investment in productive sector (agriculture, industry) (%)		1%	1%	2%	2%	2%	2%	Investment in tourism sector (hotel, airport) (%)		1%	1%	2%	2%	2%	2%	Investment in entities that give fixed interest (%)	36 Billion	50%	45%	40%	35%	30%	30%	Investment in Term Loan (%)		10%	10%	10%	10%	10%	10%	Investment in Venture Capital (%)		-	-	1%	1%	1%	1%	Investment in shares of organizations (primary/secondary market)	2.53 Billion	8%	9%	10%	11%	12%	12%	<p>Periodic reports of Investment Board, Annual Program Review</p>
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<p>Objective 2 2. To invest the Trust's funds in minimum risk sector</p>	<table border="1"> <thead> <tr> <th rowspan="2">Indicators</th> <th colspan="7">FY</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> <th></th> </tr> </thead> <tbody> <tr> <td>Participative loan investment</td> <td>8 Billion (% of total investment)</td> <td>17%</td> <td>19%</td> <td>21%</td> <td>23%</td> <td>25%</td> <td>25%</td> </tr> <tr> <td>Investment in Government debenture, Institutional debenture</td> <td>3.75 Billion</td> <td>6%</td> <td>6%</td> <td>6%</td> <td>6%</td> <td>8%</td> <td>8%</td> </tr> <tr> <td>Bridge Gap Loan</td> <td></td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> <td>2%</td> </tr> </tbody> </table>	Indicators	FY							71/72 (Current)	72/73	73/74	74/75	75/76	76/77		Participative loan investment	8 Billion (% of total investment)	17%	19%	21%	23%	25%	25%	Investment in Government debenture, Institutional debenture	3.75 Billion	6%	6%	6%	6%	8%	8%	Bridge Gap Loan		2%	2%	2%	2%	2%	2%	<p>Periodic reports of Investment Board, Annual Program Review</p>																																								
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<p>Outputs: 2.1. Scope of participative loans will be broadened</p>	<table border="1"> <thead> <tr> <th rowspan="2">Indicators</th> <th colspan="7">FY</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> <th></th> </tr> </thead> <tbody> <tr> <td>Loan disbursement from branch offices</td> <td></td> <td>5</td> <td>6</td> <td>7</td> <td>8</td> <td>9</td> <td>9</td> </tr> <tr> <td>Expanding the reach of housing loan (district)</td> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> <td>30</td> <td>30</td> </tr> <tr> <td>Disbursement of additional</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Indicators	FY							71/72 (Current)	72/73	73/74	74/75	75/76	76/77		Loan disbursement from branch offices		5	6	7	8	9	9	Expanding the reach of housing loan (district)	5	10	15	20	25	30	30	Disbursement of additional								<p>Compilation of decisions made by Communication Committee Act Rule (Law Division)</p>																																								
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Business Area: Capital Market		Indicator										Basis of verification	Risk Factors
Goal	Indicator												
Goal To accelerate the development and expansion of capital market	Indicators	Financial Year										Reports of Capital Market Division, Annual Report, Annual Progress Review Report	
		71/72 (Current)	72/73	73/74	74/75	75/76	76/77						
		2.52 Billion	3 Billion	4 Billion	4.5 Billion	5 Billion	5 Billion						
		20 million	50 million	100 million	125 million	150 million	150 million						
		800 million	1 Billion	1.20 Billion	1.50 Billion	1.75 Billion	2 Billion						
	Organizations involved in transactions in secondary market (No.)	5	7	10	10	15					15		
Objective 1 To play the role of market maker as well as buy and sell shares to stabilize stock market transaction	Indicators	FY										Shares Purchase and Sales Report (Investment Division)	
		71/72 (Current)	72/73	73/74	74/75	75/76	76/77						
		-	800 million	1 Billion	1.20 Billion	1.50 Billion	1.75 Billion						
		-	400 million	500 million	600 million	750 million	875 million						
Outputs: 1. One subsidiary company will have been established	Indicators	FY										Letter of Approval of the Office of Company Registrar	
		71/72 (Current)	72/73 (Current)	73/74	74/75	75/76	76/77						
					1								
Outputs: 2. Role of consultancy service will be played for the development of capital market will be	Indicators	Financial Year										Details provided by Capital Market Division	
		71/72 (Current)	72/73 (Current)	73/74	74/75	75/76	76/77						

provided.	No. of organizations receiving consultancy service	1	2	3	4	5			
	No. of person receiving advisory service	100	150	200	300	500			
Objective 2								Details provided by Capital Division	Periodic reports of Market Annual Review
2. To make the tools of capital market effective	Indicators	Financial Year							
		71/72 (Current)	72/73	73/74	74/75	75/76	76/77		
	Issue of Citizen Mutual Fund- 1 (equal to Rs. 500 million)	-	1						
Issuance of share of productive and service-oriented organisations	-	1	2	4	5	6			
Outputs:								Periodic reports of Capital Division, Progress Report	Market Annual Review
2.1. Arrangement for IPO and underwriting of shares of manufacturing and service sector will be made	Indicators	Financial Year							
		71/72 (Current)	72/73	73/74	74/75	75/76	76/77		
	IPO amount (Rs.)	2 Billion	2.4 Billion	3.20 Billion	3.6 Billion	4 Billion	4 Billion		
Amount to be Underwritten (Rs.)	1.26 Billion	1.5 Billion	2 Billion	2.25 Billion	2.5 Billion	2.5 Billion			

**Office Operations: Human Resources, Information Technology, and Law
Human Resources**

Goal	Indicator	Basis of Verification																		
To provide effective service to clients from skilled and inspired human resource	Indicators	<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="4">FY</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> </tr> </thead> <tbody> <tr> <td>149</td> <td>175</td> <td>200</td> <td>220</td> <td>220</td> <td>250</td> </tr> </tbody> </table>			FY				71/72 (Current)	72/73	73/74	74/75	75/76	76/77	149	175	200	220	220	250
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71/72 (Current)	72/73	73/74	74/75	75/76	76/77															
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No. of skilled manpower management																				
Objective I																				
1. To develop skilled manpower as per CIT's nature of work	Indicators	<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="4">FY</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> </tr> </thead> <tbody> <tr> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> </tbody> </table>			FY				71/72 (Current)	72/73	73/74	74/75	75/76	76/77	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous
		FY																		
71/72 (Current)	72/73	73/74	74/75	75/76	76/77															
Continuous	Continuous	Continuous	Continuous	Continuous	Continuous															
	Manpower management as per annual calendar																			
Outputs:																				
1. Service recipients will receive service in a simple and hassle-free manner.	Indicators	<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="4">FY</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> </tr> </thead> <tbody> <tr> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> </tbody> </table>			FY				71/72 (Current)	72/73	73/74	74/75	75/76	76/77	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous
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Continuous	Continuous	Continuous	Continuous	Continuous	Continuous															
	Management of Client Grievances																			
		Client Grievances and Suggestions Study Reports																		
Outputs:																				
2. Expected outputs of the Trust will be achieved in a standard way	Indicators	<table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="4">FY</th> </tr> <tr> <th>71/72 (Current)</th> <th>72/73</th> <th>73/74</th> <th>74/75</th> <th>75/76</th> <th>76/77</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>90% progress</td> <td>90% progress</td> <td>95% progress</td> <td>95% progress</td> <td>100% progress</td> </tr> </tbody> </table>			FY				71/72 (Current)	72/73	73/74	74/75	75/76	76/77	-	90% progress	90% progress	95% progress	95% progress	100% progress
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	Review of Annual Progress Report																			
		Annual Program Review Reports																		

Objective 2 2. To enhance the capability of employees	Annual Program Reviews									
	Indicators		FY							
	71/72 (Current)	72/73	73/74	74/75	75/76	76/77				
Capability enhancement and career development as per annual calendar	-	Continuous	Continuous	Continuous	Continuous	Continuous				
Outputs: 2.1. Capability of employees will be enhanced through relevant trainings	Training Reports									
	Indicators		FY							
Employees trained inside the country	71/72 (Current)	72/73	73/74	74/75	75/76	76/77				
Employees trained abroad	30	50	70	100	100	100				
	10	15	20	25	30	35				
2.2. Annual calendar regarding human resource management will be prepared.	Human Resource Management Annual Calendar									
	Indicators		FY							
Preparation of annual calendar regarding human resource management	71/72 (Current)	72/73	73/74	74/75	75/76	76/77				
-		Prepared	Continuous	Continuous	Continuous	Continuous				
Information Technology	Basis of verification									
Goal	Indicators									
Goal To standardize work execution with the use of modern information technology	Monitoring Report									
	Indicators		FY							
Monitoring of Trust and response of regulating bodies	71/72 (Current)	72/73	73/74	74/75	75/76	76/77				
	Positive feedback	Positive feedback	Positive feedback	Positive feedback	Positive feedback	Positive feedback				

<p>Objective 1</p> <p>1. To provide simple, accessible and quality service to participants with the use of information technology.</p>	<table border="1"> <tr> <td rowspan="2">Indicators</td> <td colspan="6">FY</td> </tr> <tr> <td>71/72 (Current)</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> </tr> <tr> <td>Redress client grievances</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> </table>	Indicators	FY						71/72 (Current)	72/73	73/74	74/75	75/76	76/77	Redress client grievances	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	<p>Client Grievance and Suggestion Study Report</p>													
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Redress client grievances	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous																													
<p>Outputs:</p> <p>1. Service through web sites and mobile application will be provided to customers in their workplace.</p>	<table border="1"> <tr> <td rowspan="4">Indicators</td> <td colspan="6">FY</td> </tr> <tr> <td>71/72 (Current)</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> </tr> <tr> <td>Facility of web service</td> <td>Operation</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> <tr> <td>Facility of mobile service</td> <td>Operation</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> <tr> <td>Toll free and hotline service</td> <td>-</td> <td>Operation</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> </table>	Indicators	FY						71/72 (Current)	72/73	73/74	74/75	75/76	76/77	Facility of web service	Operation	Continuous	Continuous	Continuous	Continuous	Facility of mobile service	Operation	Continuous	Continuous	Continuous	Continuous	Toll free and hotline service	-	Operation	Continuous	Continuous	Continuous	Continuous	<p>Progress Reports of Information Technology Division</p>	
Indicators	FY																																		
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<p>Objective 2</p> <p>2.To make the Management Information System of the Trust efficient</p>	<table border="1"> <tr> <td rowspan="2">Indicators</td> <td colspan="6">FY</td> </tr> <tr> <td>71/72 (Current)</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> </tr> <tr> <td>Periodic Progress Review Report of the Trust</td> <td>-</td> <td>Positive</td> <td>Positive</td> <td>Positive</td> <td>Positive</td> <td>Positive</td> </tr> </table>	Indicators	FY						71/72 (Current)	72/73	73/74	74/75	75/76	76/77	Periodic Progress Review Report of the Trust	-	Positive	Positive	Positive	Positive	Positive	<p>Progress Review Report</p>													
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<p>Outputs:</p> <p>2.1. Integrated software of the Trust will be developed.</p>	<table border="1"> <tr> <td rowspan="3">Indicators</td> <td colspan="6">FY</td> </tr> <tr> <td>71/72 (Current)</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> </tr> <tr> <td>-</td> <td>Work in Progress</td> <td>To be put to use</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> <tr> <td>Integrated software development</td> <td>-</td> <td>Work in Progress</td> <td>To be put to use</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> <tr> <td>Development of Intranet network in branch offices</td> <td>-</td> <td>To be put to use</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> </tr> </table>	Indicators	FY						71/72 (Current)	72/73	73/74	74/75	75/76	76/77	-	Work in Progress	To be put to use	Continuous	Continuous	Continuous	Integrated software development	-	Work in Progress	To be put to use	Continuous	Continuous	Continuous	Development of Intranet network in branch offices	-	To be put to use	Continuous	Continuous	Continuous	Continuous	<p>Agreement paper related to Software development Work completion report</p>
Indicators	FY																																		
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<p>Outputs:</p>																																			

<p>2.2. Internal control system including quality of work carried out by the Trust will be improved</p>	<table border="1"> <tr> <td rowspan="2">Indicators</td> <td colspan="7">FY</td> <td rowspan="2">Annual Progress Review Report</td> <td rowspan="2">Annual Progress Review Report</td> </tr> <tr> <td>71/72 (Current) Progress</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> <td>77/78</td> </tr> <tr> <td>Annual Progress Review Report</td> <td>90% progress</td> <td>90% progress</td> <td>95% progress</td> <td>95% progress</td> <td>95% progress</td> <td>100% progress</td> <td>100% progress</td> <td></td> </tr> </table>	Indicators	FY							Annual Progress Review Report	Annual Progress Review Report	71/72 (Current) Progress	72/73	73/74	74/75	75/76	76/77	77/78	Annual Progress Review Report	90% progress	90% progress	95% progress	95% progress	95% progress	100% progress	100% progress		<p>Details provided by Information Technology Division</p>																		
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	71/72 (Current) Progress	72/73	73/74	74/75	75/76	76/77	77/78																																							
Annual Progress Review Report	90% progress	90% progress	95% progress	95% progress	95% progress	100% progress	100% progress																																							
<p>Outputs: 2.3 Proper arrangement will be made for the security of data and information of the Trust</p>	<table border="1"> <tr> <td rowspan="2">Indicators</td> <td colspan="7">FY</td> <td rowspan="2">Annual Progress Review Report</td> <td rowspan="2">Annual Progress Review Report</td> </tr> <tr> <td>71/72 (Current)</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> <td>77/78</td> </tr> <tr> <td>Disaster Management</td> <td></td> <td></td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td></td> </tr> <tr> <td>Recovery</td> <td></td> <td></td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td></td> </tr> <tr> <td>Secure data backup</td> <td></td> <td></td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td>Continuous</td> <td></td> </tr> </table>	Indicators	FY							Annual Progress Review Report	Annual Progress Review Report	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	77/78	Disaster Management			Continuous	Continuous	Continuous	Continuous	Continuous		Recovery			Continuous	Continuous	Continuous	Continuous	Continuous		Secure data backup			Continuous	Continuous	Continuous	Continuous	Continuous		<p>Details provided by Information Technology Division</p>
Indicators	FY							Annual Progress Review Report	Annual Progress Review Report																																					
	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	77/78																																							
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<p>Legal aspects</p>	<p>Indicator</p>	<p>Basis of Verification</p>																																												
<p>Goal To effectively implement the Act and Rules of the Trust</p>	<table border="1"> <tr> <td rowspan="2">Indicators</td> <td colspan="7">FY</td> <td rowspan="2">Annual Progress Review Report</td> <td rowspan="2">Annual Progress Review Report</td> </tr> <tr> <td>71/72 (Current)</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> <td>77/78</td> </tr> <tr> <td>Annual Progress Review Report</td> <td>-</td> <td>90% progress</td> <td>90% progress</td> <td>95% progress</td> <td>95% progress</td> <td>100% progress</td> <td>100% progress</td> <td></td> </tr> </table>	Indicators	FY							Annual Progress Review Report	Annual Progress Review Report	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	77/78	Annual Progress Review Report	-	90% progress	90% progress	95% progress	95% progress	100% progress	100% progress		<p>Annual Progress Review Report</p>																		
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<p>Objective 1 1. To draft and make relevant amendments in Act, By-laws, directives and work procedures of the Trust</p> <p>Outputs:</p>	<table border="1"> <tr> <td rowspan="2">Indicators</td> <td colspan="7">FY</td> <td rowspan="2">Annual Progress Review Report</td> <td rowspan="2">Annual Progress Review Report</td> </tr> <tr> <td>71/72 (Current)</td> <td>72/73</td> <td>73/74</td> <td>74/75</td> <td>75/76</td> <td>76/77</td> <td>77/78</td> </tr> <tr> <td>Drafting of the proposal to amend the Act</td> <td>-</td> <td>-</td> <td>1</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>By-laws, policies, directives and work procedures (No.) will be amended and drafted</td> <td>-</td> <td>15</td> <td>4</td> <td>2</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> </table>	Indicators	FY							Annual Progress Review Report	Annual Progress Review Report	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	77/78	Drafting of the proposal to amend the Act	-	-	1	-	-	-	-		By-laws, policies, directives and work procedures (No.) will be amended and drafted	-	15	4	2	-	-	-		<p>Details provided by Law Division</p>									
Indicators	FY							Annual Progress Review Report	Annual Progress Review Report																																					
	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	77/78																																							
Drafting of the proposal to amend the Act	-	-	1	-	-	-	-																																							
By-laws, policies, directives and work procedures (No.) will be amended and drafted	-	15	4	2	-	-	-																																							

1. CIT Act and Management By-laws will be amended and readied in a timely manner	Indicators	Financial Year						Reports of Law Department
		71/72 (Current)	72/73	73/74	74/75	75/76	76/77	
	Proposal to amend Act and by-laws will be drafted	-	-	Amendment proposal	-	-	-	
Outputs: 2. Work procedures and directives related to savings and mutual fund will be amended and readied	Indicators	FY						CIT Act and Regulations booklet
		71/72 (Current)	72/73	73/74	74/75	75/76	76/77	
	Amendment of the work procedures for existing Retirement Fund and Citizens Unit Fund	-	Amended	-	-	-	-	
	Draft of the work procedure for Police Insurance Fund management.	-	Drafted	-	-	-	-	
	Draft of the work procedure for Citizen Pension Fund work.	-	Drafted	-	-	-	-	
	Draft of the work procedure for management of Mutual Investment Fund of Nepalese residing abroad	-	-	Drafted	-	-	-	
Outputs:	Draft of the work procedure for operation of Professional Group Trust	-	-	-	Drafted	-	-	

	FY							Act, Rules of Trust
	71/72 (Current)	72/73	73/74	74/75	75/76	76/77		
3. Policy, rules and regulations, work procedures and directives related to investment will be amended and drafted.	Indicators							
	Amendment of Investment Policy	Amended		-	-	-	-	
	Draft of Investment and Loan Directives	Drafted		-	-	-	-	
	Amendment of Co-financial Loan work procedure	Amended		-	-	-	-	
	Amendment of Project Loan Directive	Amended		-	-	-	-	
	Draft of Loan monitoring and recovery work procedure	Drafted		-	-	-	-	
	Draft of Participative educational loan work procedure	Drafted		-	-	-	-	
	Draft of Participative easy loan work procedure	-	Drafted		-	-	-	
	Draft of Participative entrepreneurial loan work procedure	-	Drafted		-	-	-	
	Draft of Risk Analysis Directive	Draft		-	-	-	-	
	Draft of concept paper related to Public Private Partnership and Joint Investment	Draft		-	-	-	-	
Outputs:								
4. Work procedure for capital market will be drafted.	Indicators	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	CIT Act, Rules booklet
	Draft of Debenture trader and market maker work procedure.	-	Draft		-	-	-	
	Draft of capital market advisory service work procedures.	-	Draft		-	-	-	
Outputs:								

5. Work procedures and directives relating to office operation will be drafted.	Indicators	71/72 (Current)	72/73	73/74	74/75	75/76	76/77	CIT Act, Rules booklet
		-	Drafted	-	-	-	-	
		-	Drafted	-	-	-	-	
		-	Drafted	-	-	-	-	
		-	Drafted	-	-	-	-	

9. Projected Financial Statement

Following is the Projected Financial Statement, Assets and Liability (Balance Sheet) including statement of income and expenses of the Citizen Investment Trust for the next 5 Fiscal Years

S.No.	Particulars	F.Y. 0711/72 (current)	F.Y. 072/73	F.Y. 073/74	F.Y. 074/75	F.Y. 075/76	F.Y. 076/77
A) Situation of Assets and Liabilities (Balance Sheet)		Rs. in crores (ten million)					
1.	Capital and Liabilities	6,812.00	8,020.50	9,243.45	10,707.78	12,337.14	14,216.36
1.2	Paid-up Capital	45.00	58.50	76.05	152.10	182.52	219.02
1.3	Fund Balance/ Deposits	6,450.00	7,740.00	8,901.00	10,236.00	11,771.00	13,537.00
1.4	Reserve Fund	185.00	222.00	266.40	319.68	383.62	460.34
1.5	Current Liabilities and Provisions	132.00	95.50	141.00	157.00	190.00	230.00
2	Total Assets	6,812.00	8,020.50	9,243.45	10,707.78	12,337.14	14,216.36
2.1	Fixed Assets	110.00	148.00	189.00	255.52	286.62	323.95
2.2	Investment	5,805.00	6,966.00	8,010.90	9,212.40	10,593.90	12,183.30
2.3	Bank Balance	451.50	541.80	623.07	716.52	823.97	947.59
2.4	Other Movable Assets	445.50	364.70	419.88	523.34	632.64	761.52
B) Statement of Income and Expenditure							
1.	Total Income	731.95	933.16	1,137.97	1,355.91	1,606.11	1,937.12
1.1	Income from interests	386.03	496.33	608.86	720.41	852.81	1,036.80
1.2	Income from service fee	322.50	387.00	445.05	522.80	588.55	676.85
1.3	Income from sale of dividend/ shares	17.42	34.83	64.09	73.70	84.75	99.47
1.4	Other Incomes	6.00	15.00	20.00	50.00	80.00	124.00
2	Expenditure	713.95	905.58	1,099.27	1,305.09	1,542.00	1,874.87
2.1	Interest Distribution	322.50	425.70	534.06	639.75	765.12	947.59
2.2	Return Distribution	16.13	27.09	44.51	66.53	88.28	135.37
2.3	Management Expenses	25.80	30.96	35.60	40.94	47.08	54.15
2.4	Management Fee Expenses	322.50	387.00	445.05	511.80	588.55	676.85
2.5	Risk management and other Expenses	27.03	34.83	40.05	46.06	52.97	60.92
3	Net Profit	18.00	27.58	38.69	50.82	64.11	62.24
	Income Tax Provision Expenses	8.00	10.40	13.52	16.22	19.47	22.31
	Net profit after Income Tax	10.00	17.18	25.17	34.59	44.64	34.93
	Distribution of share dividend	8.00	13.50	17.55	15.21	30.42	36.50
4	Transfer of Net Profit to Reserve Fund	2.00	3.68	7.62	19.38	14.22	3.43

Note: The projected figures of situation of assets and liabilities (Balance Sheet) and Income and Expenditure Statement are determined as per the following assumptions:

1. Target of issuing 30% Bonus share of the share capital up to F.Y. 073/74, 1:1 rights share in F.Y. 074/75, and 20% bonus shares in future years
2. It is estimated that fixed assets undergo 30% increment annually and additional 65 crores will be invested for the construction of a new building CIT, and 5 crores will be spent for CIT's software.
3. Investment of CIT is projected to be 90% of the collected fund.
4. Cash balance is projected to be 7% of collected fund amount.
5. Interest income has been calculated on the basis of average rate of return as mentioned in the Long Term Investment Plan.
6. Income from the management fee received in consideration of management of program and management fee paid by the program are matched the income and expenditure statement.
7. Dividend income and income from sale of shares is projected to be 10% of the total investment in shares.
8. Recovery of amounts from provision for bad investment made in Banks and Financial Institutions has been presented in the other income category.
9. The difference of average rate of return on investment of the Trust and rate of interest provided to the participants is projected to be 2%
10. In addition to interest provided to participants, the Trust aims to provide them with additional benefits at the rate of 0.35, 0.5, 0.65, 0.75 and 1 percent in the coming years.
11. Management expenditure is projected to be 0.4% of the collected fund.
12. 0.5% of the total investment has been shown under risk provision.

10. Program and Responsibility (from F.Y. 2072/73 to 2076/77)

To achieve the desired goal, objectives and outputs of Long Term Strategic Plan, following programs will be carried out in a planned manner.

Business Area: Savings Program

Objective no.1: To attract Nepali citizens residing in the country and abroad towards the programs of the Trust.

Particulars	Goal/Unit	Beneficiaries	Program Year					Allocation of responsibility for program implementation			Remarks	
			72/73	73/74	74/75	75/76	76/77	Coordinator/Facilitator	Concerned Department	Supporting Agency		
Result no. 1.1 Activities			Participants will have received additional services and facilities.									
1.1.1 Study will be done to identify sectors that provide highest return	Nos.	CIT	Carry out study	Conduct review	Conduct review	Conduct review	Conduct review	Conduct review	Departmental Head	Investment Department	Research Division	
1.1.2 Funds collected from various districts will be collected in a joint account with the coordination of various banks in order to manage them properly.	Sign MoU with Banks	CIT	2	Additional 1	Additional 1	Additional 1	Additional 1	Additional 1	Departmental Head	Finance and Account Department	Financial Control and Management Division, Regional and Branch Management Department	
1.1.3 A separate task force will be formed to carry out bank reconciliation and clear dues		CIT	Start Operation	Continue	Continue	Continue	Continue	Continue	Departmental Head	Finance and Account Department		
1.1.4 Interaction and seminars will be conducted at regional level for dissemination of information regarding operation of programs of the Trust and banks operation.		Participants	5	6	7	7	7	7	Departmental Head	Human Resource and Service Department	Planning and Research Department, Finance and Account Department	
1.1.5 To draft work	Nos.	Participa	Drafted	Amend	Amend	Amendm	Amendm	Amendm	Departmental	Law and	Human resource and	

procedure related to providing service and facility to participants	Nos.	nts and their dependent family	Drafted	Continue	ment	ent	ent	Head	Secretariat Division	Service Retirement Department	
1.1.6 Internal layout will be structured to streamline service of the Trust through a single window.		Participants	Drafted	Continue	Continue	Continue	Continue	Departmental Head	Human resource and Service Department	Employee Administration Division	
Result no. 1.2 Activities	Liaison and relation at international level will be established.										
1.2.1 Concept paper of programs targeting Nepalese citizens living abroad and Non-resident Nepalese citizens will be drafted		CIT	Drafted								
1.2.2. Savings and Unit Plan for Nepali citizens who are living abroad will be operated	Nos.	CIT		Operation	Operation	Operation	Operation	Operation	Departmental Head	Retirement Fund Department	Research and Marketing Department
1.2.3. Promotional programs (symposiums, seminars, interactions) will be conducted.	Nos.	CIT	1	1	1	1	1	Departmental Head	Human Resource and Service Department	Planning and Research Department, Finance and Accounting Department	

Objective No. 2: To operate additional programs of the Trust related to social security.											
Particulars	Goal/Unit	Beneficiaries	Program Year					Allocation of responsibility for program implementation			Remarks
			72/73	73/74	74/75	75/76	76/77	Coordinator/Facilitator	Concerned Department	Supporting Agency	
Result no. 2.1	Additional programs of social welfare and mutual fund will be operated.										
Activities											
2.1.1 Concept paper of Citizen Pension Trust will be prepared		CIT	To be drafted					Departmental Head	Trust Management Department	Law and Secretariat Division	
2.1.2 Coordination will be done with concerned body for operation of health insurance including pension program run by the Nepal Government	Nos.	CIT	Begin coordination	Continue	Continue	Continue	Continue	Departmental Head	Trust Management Department	Law and Secretariat Division	
2.1.3 For the operation of Insurance Fund, workshops and interactions will be held with local bodies and security agencies (Nepal Police, Armed Police Force)	Nos.	Participant	2	2				Departmental Head	Insurance Fund Management Department	Incorporated institutions Insurance Fund Management Division	
2.1.4 A study to bring the children and elderly people within the net of social security program of the Trust will be conducted.	Nos.	Participant	1	2	2	2	2	Departmental Head	Retirement Fund Department	Research and Market Department, Mutual Investment Fund Division, Insurance Fund Management Department	

Business Area: Investment Management									
Objective no. 1: To invest in priority areas									
Particulars	Goal/ Beneficiary Unit	Program Year				Allocation of Program Implementation Responsibility			Remarks
		72/73	73/74	74/75	75/76	76/77	Concerned Department	Coordinator/ Facilitator	
Result no. 1.1	Investment sector will be diversified.								
Activities									
1.1.1 Existing investment portfolio will be studied, analyzed and reviewed	Nos.	1		1		Departmental Head	Investment Department	Research and Market Development Division	
1.1.2 Investment policies and work procedures of the identified sectors will be drafted.	Nos.	1		1		Departmental Head	Investment Department	Law and Secretariat Division	
1.1.3 Concept paper and work procedures related to Public Private Partnership (PPP) and Joint Investment will be drafted.	Nos.	1		1		Departmental Head	Investment Department	Law and Secretariat Division	
1.1.4 Feasibility study for venture capital investment will be conducted	Nos.		1			Departmental Head	Investment Department	Research and Market Development Division	
Objective no. 2: To Invest Trust's funds in minimum risk sectors									
Particulars	Goal/ Beneficiary Unit	Program Year				Allocation of Program Implementation Responsibility			Remarks
		72/73	73/74	74/75	75/76	76/77	Concerned Department	Coordinator/ Facilitator	
Result no. 2.1	Area and scope of Participative Loan Program will be broadened.								
Activities									
2.1.1 Study will be conducted for	Nos.	1		1		Departmental Head	Investment Department	Regional Branch Office Management Department	

1.1.2 Memorandum (Prabhandipatra) and regulation will be drafted by finalizing the capital structure of subsidiary company.	Nos.	CIT	1						Departmental Head	Capital Market Management Department	Law and Secretariat Division, Finance and Accounting Department		
1.1.3 Seminars/ workshops and interactions will be conducted for management of capital fund (Basket Fund).	Nos.	CIT	1						Departmental Head	Capital Market Management Department	Human Resource and Service Department, Research and Market Development Division		
1.1.4 MOU will be signed with prospective organizations for establishment of capital fund	Nos.	CIT	1						Departmental Head	Capital Market Management Department	Law and Secretariat Division		
Result no. 1.2 Activities	Advisory services will be provided for the development of capital market.												
1.2.1 Study will be conducted to identify areas for providing advisory services	Nos.	CIT	1							Departmental Head	Capital Market Management Department	Research and Market Development Division	
1.2.2 Trainings, seminars and interactions will be held for market promotion	Nos.	Organizations	2	2	2	2	2	2	2	Departmental Head	Capital Market Management Department	Human Resource and Service Department	
1.2.3. To provide advisory services	Nos.	CIT	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Departmental Head	Capital Market Management Department	Human Resource and Service Department	

Objective no. 2: To make means/tools of capital market service effective.										
Particulars	Goal/Unit	Beneficiary	Program Year				Allocation of Program Implementation Responsibility		Remarks	
			72/73	73/74	74/75	75/76	76/77	Coordinator/Facilitator		Concerned Department
Result no. 2.1	Initial public offer services and underwriting of shares of productive and service-oriented sectors will be guaranteed.									
Activities										
2.1.1 Existing and potential tools of capital market will be studied and analyzed	Number of times	CIT	1				Departmental Head	Capital Market Management Department	Research and Market Development Division	
2.1.2 MOU will be signed with corporate houses for issuance of shares.	Number of times	Organizations	3	3	4	5	Departmental Head	Capital Market Management Department	Human Resource and Service Department	
Office operation: Human resource, information technology and law										
Human Resource										
Objective no. 1: To develop skilled manpower as per the nature of work of the Trust										
Particulars	Goal/Unit	Beneficiary	Program Year				Allocation of Program Implementation Responsibility		Remarks	
			72/73	73/74	74/75	75/76	76/77	Coordinator/Facilitator		Concerned Department
Result no. 1.1	Clients will receive service in a simple and hassle-free manner									
Activities										
1.1.1 Grievances and feedbacks of participants will be studied	Nos.	CIT	Conduct Study	Continue	Continue	Continue	Continue	Continue	Continue	Human Resource and Service Department, Research and Market Development Division
1.1.2 All employees of the Trust will be trained in providing customer service.	Nos.	CIT	Operation	Continue	Continue	Continue	Continue	Continue	Continue	Human Resource and Service Department
1.1.3 Necessary Skilled manpower	Nos.	CIT	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Human Resource Department, Research and

will be managed as per the annual calendar											Management Department	Market Development Division	
1.1.4 Help desk will be established for delivering informations and notice to participants.	Nos.	Participants	Commencement of operation	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Human Resource and Service Department	Research and Market Development Division	
Result no. 1.2 Anticipated achievements of the Trust will be realized in an outstanding manner													
1.2.1 Periodic review of long term and annual policy and programs.	Nos.	CIT	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Human Resource Department, Research and Market Development Division	Finance and Accounting Department	
1.2.2 Reward and punishment system will be made effective to make the employees more accountable and motivated.	Nos.	CIT	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Capital Market Management Department	Human Resource and Service Department	
Objective no. 2: To enhance the capability of employees													
Particulars	Goal/ Unit	Beneficiary	Program Year							Allocation of Program Implementation Responsibility	Remarks		
			72/73	73/74	74/75	75/76	76/77	Coordinator/ Facilitator	Concerned Department			Supporting Unit	
Result no. 2.1	Capability of employees will be enhanced through relevant professional trainings												
2.1.1	After carrying out need assessment, trainings on identified subjects	Number of times	CIT	Continue	Continue	Continue	Continue	Continue	Continue	Continue	Departmental Head	Human Resource and Service Department	Research and Market Development Division

well as external location.													
Legal aspects													
Objective No. 1 For timely amendment and drafting of the Acts, by-laws, directives and work procedures													
Particulars	Goal/ Unit	Beneficiary Citizens	Program Year				Allocation of Program Implementation Responsibility			Remarks			
			72/73	73/74	74/75	75/76	76/77	Coordinator/ Facilitator	Concerned Department		Supporting Unit		
Result no. 1.1 Activities	CIT Act, Rules and Management By-laws will be amended.												
1.1.1 Proposal will be tabled for time relevant amendment of Citizen Investment Trust Act		CIT	1						Departmental Head	Legal Division	Human Resource and Service Department		
1.1.2 Proposal will be drafted for amendment of Citizen Investment Trust By-laws		CIT	1						Departmental Head	Legal Division	Human Resource and Service Department		
Result no. 1.2 Activities	Work procedure and guidelines related to savings and mutual fund will be amended and drafted.												
1.2.1 Work for existing Retirement Fund, Insurance Fund and Unit Funds will be amended in a timely manner.		CIT	Amendment						Departmental Head	Legal Division	Human Resource and Service Department		
1.2.2 Work for Police and Armed Force Insurance Fund Management will be drafted		CIT	To be drafted						Departmental Head	Legal Division	Human Resource and Service Department		
1.2.3 Work		CIT	To be						Departmental	Legal	Human Resource		

Procedure for Citizen Pension Fund will be drafted																				
1.2.4 Work procedure meant for mutual fund of Nepalese citizen living abroad and Non Resident Nepalese will be drafted	CIT						To be drafted												Human Resource and Service Department	
1.2.5 Work procedure for retirement fund meant for self-employed, professionals, workers will be drafted	CIT						To be drafted												Human Resource and Service Department	
Result no. 1.3 Activities	Policy, rules, work procedure and guidelines related to investment will be amended and drafted.																			
1.3.1 Investment policy will undergo relevant amendment	CIT						Amendment												Investment Department, Human Resource and Service Department	
1.3.2 Timely and relevant amendment will be made in Project Loan Guidelines	CIT						Amendment												Investment Department, Human Resource and Service Department	
1.3.3 Timely and relevant amendment will be made in Consortium Loan Work Procedure	CIT						Amendment												Investment Department, Human Resource and Service Department	
1.3.4 Work procedure for Loan Investment -	CIT						To be drafted												Investment Department, Human Resource and Service Department	

related to employee service.																				
1.5.2 Internal audit and accounting manuals will be prepared		CIT	To be drafted																Human Resource and Service Department	
1.5.3 Work procedures for office branch operation and management will be prepared.		CIT	To be drafted																Human Resource and Service Department	

11. Strategic features of business model

Savings Program

- Fund collection will be increased by 15 to 20 percent annually by operating various kinds of savings programs.
- Work plans of new savings schemes related to social security and welfare will be prepared and operated.
- Saving programs will be run by focusing on small and medium level depositors.
- All savings plans and programs will be operated on the basis of specialization.
- Saving programs will be operated on the basis of cost/ benefit analysis in the interest of both the Trust and depositors.
- Citizen Unit Plan will be operated by targeting migrant workers and Non- Resident Nepalese citizen.
- Operation and Management of the Trust will be diversified and modernized.
- By giving utmost priority to customer service, services provided by the Trust will be made more effective gradually decentralized.
- Organizational structure will be designed to make the service of the Trust more effective.
- Internal control and responsibility system will be strengthened.
- Along with the use of information technology, technologies widely used in financial sector and deemed useful for the Trust will be adopted after proper study and analysis.
- Effectiveness of Management Information System will be enhanced by developing integrated software.

Investment Management

- After evaluating investment priority and feasibility, and on the basis of risk analysis, investment will be diversified in sectors with higher and long-term return.
- Investments will be diversified on the basis of consortium and partnership.
- Investments will be made in the projects on the basis of Public-Private Partnership (PPP) concept.
- Investment will be diversified in areas that provide higher return to increase the net income of the Trust and to make the Trust strong and capable.
- Large portion of the investment in fixed deposits will be decreased gradually.
- Investment will be increased by focusing on areas which increases Gross Domestic Production and generate employment opportunities.

Capital Market Service

- For the development, growth and promotion of capital market, a separate subsidiary company/ unit will be established.
- Capital market advisory services will be provided and tools/instruments of capital market will be made more efficient.
- The Trust will act as a stock dealer/market maker to provide stability during share transactions in the secondary market.
- Investments will be made in the capital market by collecting funds from Nepali citizens residing in the country as well as abroad.

- Merchant banking service will be developed and expanded in a viable manner.
- Role of market maker will be defined and made more effective.

12. Monitoring and Evaluation Plan

To achieve the desired goals and outcome as per the Long Term Strategic Plan of the Trust, regular monitoring and evaluation is required. For timely accomplishment of the task by instilling a sense of responsibility among the staff and inspiring them for timely correction and improvement of activities, CIT should formulate the monitoring and evaluation plan. For monitoring and evaluating various indicators of the goals and desired result as per the Long Term Strategic Plan of CIT, clear and accountable plans have been formulated.

An Internal Audit Department will be set up under the coordination of the Departmental Head to monitor the plans set out and a monitoring and evaluation task force, having representations from the related Divisions, will be formed for the monitoring and evaluation activity.

13. Professional organizational structure and establishment of CIT

To achieve the goals and desired result as formulated by the Long Term Strategic Plan of CIT, detailed and effective implementation of the three-pillared business model is necessary. It is not possible to achieve the desired goals by only expanding the savings program, investment management and capital market services within the present organizational structure. The professional organizational structure should be gradually broadened. This Long Term Strategic Plan has paved the way for the same.

Considering the extent of transaction, work pressure and specialization, it is necessary to make the service of CIT more effective. As a result, the need for a scientific organizational structure has been felt. CIT aims to gradually implement, develop and grow this revised scientific organizational structure. This task entails building up the necessary human resources. This is why it cannot be implemented immediately. At the same time, it will also necessitate the evaluation of cost factors. However, to meet the goals set by the Strategic Plan various options will be pursued.

Schedule 1:- Problem Analysis Table

S. No.	Main Problem	Immediate Effects	Remedial measures
1.	Services and facilities as expected by participants of the Trust have not been made available.	<ul style="list-style-type: none"> Decrease in number of participants due to helplessness, disappointment 	<ul style="list-style-type: none"> Timely implementation of new programs. Gradually increasing the facilities provided to the participants. Making the infrastructure of the Trust service-oriented.
2.	Investment has not been made as per the Citizen Investment Trust Act, Management By-Laws, Investment Policy.	<ul style="list-style-type: none"> Due to non-diversified investment, the Trust may experience increase in its investment risk. 	<ul style="list-style-type: none"> There should be coordination with the Government of Nepal and concerned bodies to create investment opportunities as envisioned in the Act.
3.	Capital market services as expected by the stakeholders have not been provided	<ul style="list-style-type: none"> Decrease in competitive edge of the Trust in the market. 	<ul style="list-style-type: none"> Buying and selling of shares as institutional investor.
4.	Integrated software has not been developed to prepare accounts and reports of different schemes offered by the Trust.	<ul style="list-style-type: none"> Delay in management decision. Non-completion of audit on time. 	<ul style="list-style-type: none"> Software relevant for the trust should be developed by closely studying softwares used by national and international organizations similar in nature to the Trust
5.	Inadequate human resources and inability to develop necessary human resources.	<ul style="list-style-type: none"> Inability to provide service as per the expectation of participants and stakeholders. Decrease in the quality of work. 	<ul style="list-style-type: none"> Human resources should be recruited as per the requirement.
6.	Timely review of the organizational structure of the Trust has not been done.	<ul style="list-style-type: none"> Inability to enhance the performance and quality of work done by the Trust. 	<ul style="list-style-type: none"> Organizational structure should be revised as per the requirements.
7.	Bank reconciliation has not been done in time.	<ul style="list-style-type: none"> Inability to update the financial statement of the Trust in time. 	<ul style="list-style-type: none"> A separate unit should be set up for bank reconciliation.
8.	Inability to enhance capability of employees.	<ul style="list-style-type: none"> Hindrance in ensuring quality performance. 	<ul style="list-style-type: none"> Human resource development plan should be formulated.
9.	Inability to carryout expected volume of secondary market transactions.	<ul style="list-style-type: none"> Capital market transactions and advisory service has not been effective 	<ul style="list-style-type: none"> Separate unit should be set up for carrying out market making strategies and activities.
10.	Employees have not been given clear responsibilities.	<ul style="list-style-type: none"> Duplication and delay of work. 	<ul style="list-style-type: none"> Job description of each employee should be prepared and work should be performed accordingly.
11.	Regular inspection from the regulating body has not been conducted.	<ul style="list-style-type: none"> Inability to deliver quality work. 	<ul style="list-style-type: none"> Regulating bodies should prepare inspection plans and carryout inspection accordingly.
12.	Unable to build infrastructure that is as per the requirement of the Trust to help it provide efficient service to clients.	<ul style="list-style-type: none"> Problems in providing timely services. 	<ul style="list-style-type: none"> Infrastructure that will allow the Trust to provide effective services should be built and expanded.

13.	Physical assets of the Trust have not been properly utilized.	<ul style="list-style-type: none"> Expected benefit from the assets has not been obtained. 	<ul style="list-style-type: none"> Work Plan for utilization of physical assets should be prepared and implemented.
14.	Unable to deliver good customer-service and construct building suited to provide optimal work environment.	<ul style="list-style-type: none"> Poor corporate governance. 	<ul style="list-style-type: none"> Infrastructures should gradually be developed with the target group in mind.
15.	Annual payment of large amount of tax due to use of old structured building.	<ul style="list-style-type: none"> Financial loss to the Trust. 	<ul style="list-style-type: none"> The Trust should have its own building that is suitable for the services it provides.
16.	Lack of human resources having IT (Information Technology) skills	<ul style="list-style-type: none"> Inefficient work. 	<ul style="list-style-type: none"> Human resources with IT skills should be recruited.
17.	Disaster recovery plans for retrieving data and information of the Trust has not been formulated.	<ul style="list-style-type: none"> Security of information assets not guaranteed. 	<ul style="list-style-type: none"> Back up of data and information should be kept in the country and outside.
18.	Latest technology has not been optimally used.	<ul style="list-style-type: none"> Unable to compete due to unavailability of required management information. 	<ul style="list-style-type: none"> Human resources adept in latest technology should be recruited.
19.	Human Resource Management Division has not been efficient	<ul style="list-style-type: none"> Decrease in quality of work. 	<ul style="list-style-type: none"> Timely amendments in policy and regulations.
20.	Lack of investment friendly environment.	<ul style="list-style-type: none"> Inability to invest in targeted areas. 	<ul style="list-style-type: none"> Focus on creating investment friendly environment.
21.	Timely amendments have not been made in CIT Act and Regulations.	<ul style="list-style-type: none"> Unable to expand services and increase investments of the Trust as per the expectation. 	<ul style="list-style-type: none"> Timely changes and amendments should be done in CIT acts and regulations.
22.	Grievance has not been addressed effectively.	<ul style="list-style-type: none"> Increase in disappointment of clients. 	<ul style="list-style-type: none"> Concrete programs should be prepared to address grievances.
23.	Management Information System has not been designed.	<ul style="list-style-type: none"> Delay and lack of quality in work performance. 	<ul style="list-style-type: none"> Management information system should be set up.
24.	Proper fund management and investment of collected amount has not been done.	<ul style="list-style-type: none"> Immobilization of investable amount and assets. 	<ul style="list-style-type: none"> Study should be carried out to identify new investment sectors.
25.	Difficulty in investing in new sectors as per market requirement and demand.	<ul style="list-style-type: none"> Immobilization of investable amount and assets. 	<ul style="list-style-type: none"> Act and regulations should be amended to allow the Trust to enter into new sectors.
26.	Lack of awareness program aimed at participants of the Trust.	<ul style="list-style-type: none"> Lack of ownership among participants towards investment of the Trust. 	<ul style="list-style-type: none"> Awareness and interaction programs should be conducted on a regular basis.
27.	Front desk has not been setup.	<ul style="list-style-type: none"> Client dilemma and problem in crowd management 	<ul style="list-style-type: none"> Front desk should be setup for the benefit of clients and increase public relations.
28.	Unable to recover investments in time	<ul style="list-style-type: none"> Decrease in profits. 	<ul style="list-style-type: none"> Special work-plan for timely recovery of investments should be prepared and implemented.
29.	Unable to perform audit on time	<ul style="list-style-type: none"> Increase in irregularities and 	<ul style="list-style-type: none"> Audit work should be carried out in an effective

|| Long Term Strategic Plan ||

	unnecessary problem faced by the clients.	manner.
30.	<p>Delay in payment to compulsory retired staff</p> <ul style="list-style-type: none"> • Risk of retired staff developing negative attitude towards Citizen Investment Trust. • Failure to earn profit as expected. 	<ul style="list-style-type: none"> • Special programs for speedy payment should be formulated and implemented • Capital market related arrangements as per the CIT Act should be promptly implemented.
31.	Inability of the Trust to contribute towards the development of the capital market.	

Schedule 2:-SWOT Analysis

Strength	Weakness	Opportunities	Threats
<ul style="list-style-type: none"> • Increase in credibility with customers due to government ownership. • Autonomous organization established by Special Act. • Continuous increase in fund collection. • Premier institution providing service related to development of capital market. • Board of Directors having professional expertise. • The only organization functioning as Investment Trustee. • Diversity in programs offered-retirement fund, pension fund, investor's account fund, insurance fund, capital market etc. The Trust is the one and only organization operating all of these schemes. • Availability of long-term funds. 	<ul style="list-style-type: none"> • The structure and services of the Trust is centered in Kathmandu only. • Absence of Integrated Information. • Lack of skilled human resources. • Inadequate research and development. • Unclear organizational structure, engaged in traditional management practices and failure to adopt modern management practices. • Lack of timely revision and amendment of policies and regulations. • Lack of periodic review of Trust's annual program. • Failure to diversify investment. • Inability to fully exercise autonomy. • Limited investment opportunities and areas. • Inadequate number of employees. • Unable to broaden the scope of the Trust by carrying out all the functions mentioned in the Act. • Unable to issue financial statements/reports in time. • Failure to provide high quality service to the clients as expected. • Inability to enhance capability of employees of the Trust in a timely manner. • 64 % of the total fund of the Trust invested in fixed deposits. • Unable to construct its own building in a land owned by it. 	<ul style="list-style-type: none"> • Opportunity to invest in productive sector and gain a high return due to availability of adequate long-term fund. • Tax exemption in income of retirement fund. • Can play a leadership role in the capital market and help in creation of capital. • Opportunity to expand the scope and area of programs offered by it. • A part of the income of Migrant Nepali workers can be saved through a special social security scheme. • Vital infrastructure needed for the development of the nation can be built by mobilizing deposits. • Contribute in development of capital market by playing the role of market maker. • Social Security programs like pension fund scheme can be operated. • Self-employed group can also be included in approved retirement fund. • Corporate office can be constructed as per the requirements of the Trust. • Opportunity to profitably invest the continually growing fund in national infrastructure and pride projects. • The declaration of uplifting Nepal to the level of developing country by 2022 A.D, has broadened the investment areas. 	<ul style="list-style-type: none"> • Competitive market • Programs run strictly through Government decisions and directions. • Challenge of providing adequate returns to participants due to low returns on investment. • Challenge of recovering investments made in Banks and Financial Institutions (BFIs) that are declared to be problematic. • Unable to construct an investment friendly environment. • Lack of investment-friendly environment. • Unable to identify investment areas. • Challenges in opening branches due to lack of necessary resources and technology. • Allowing other institutions to operate retirement fund programs. • Lack of adequate investment opportunity due to limited areas of investment. • Full autonomy in day-to-day operations.

Long-term Strategic Plan

(FY 2072/73 to 2076/77)

Citizen Investment Trust

New Baneshwor, Kathmandu

www.nlk.org.np

July 2015

Preface

Citizen Investment Trust (CIT) was established in the year 2047 B.S (1990-91A.D.) with the main objective of ensuring economic development of the country by encouraging the general public towards savings habit in order to increase capital flow and investment opportunities along with accelerating the development of the capital market. In order to achieve these goals, CIT has been engaged in promoting savings among the general public, employees working in various organizations, professionals and experts in an efficient manner and has been properly investing the amount collected in this manner to spur economic growth in the country.

It is high time that CIT makes use of the functions and rights guaranteed by the CIT Act and skillfully propel CIT forward. Concurrently, the call of the hour is to start the programs as per the expectations of the participants of CIT. The onus has fallen on CIT to make itself capable enough to compete in the open market. In the context of activating CIT so as to ensure proper management of the secondary market for institutional development of the capital market, CIT will chart out a clear road map for the same.

In this context, this 5-year strategic plan has been formulated with the objective of stimulating economic development by investing in National Priority Projects and establishing CIT at the focal point of economic development of the country. This plan will be effective from F.Y. 2072/73 to F.Y. 2076/77, within which period it is expected that CIT will effectively expand the scope of the work and also establish itself as a name to be reckoned with among various financial institutions.

I am confident that the Long-term Strategic Plan prepared through tireless effort of senior officials and employees of CIT will be able to overcome the forthcoming problems and challenges and pave the way for a better future.

Ram Krishna Pokhrel
Executive Director

Content

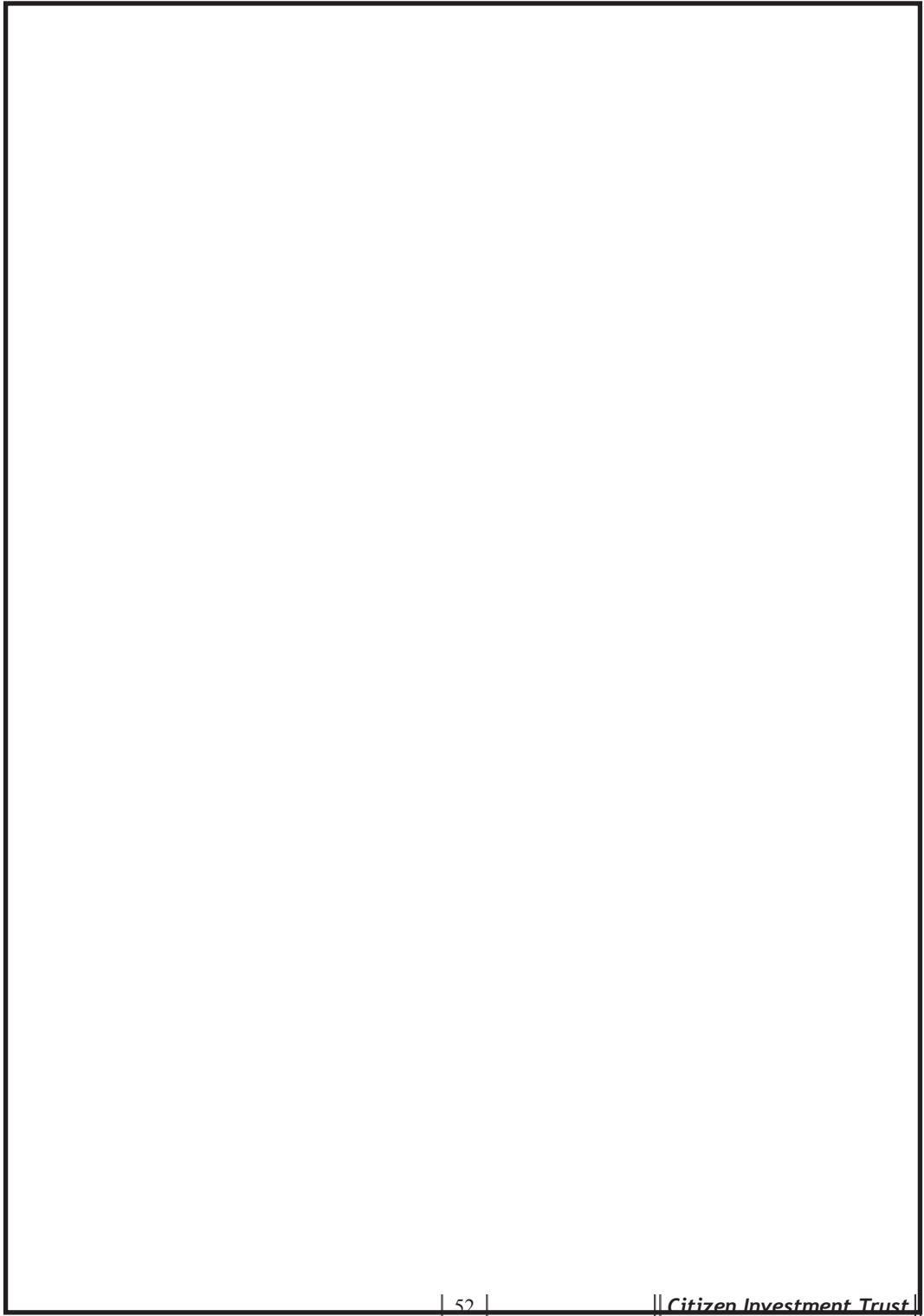
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The Citizens Investment Trust was established as per the Citizens Citizen Investment Trust (CIT) was established as per the Citizen Investment Trust Act 2047 to increase investment opportunities and contribute in the development of the capital market by encouraging both employed and general public towards capital savings for the economic development of the country. As per the tenet and spirit of the CIT Act, it has by giving shape to the broad concept of service expansion through intensive homework taken a new direction through strategic planning.

Long-term Strategic Plan (F.Y. 2072/73-2076/77) has been prepared as per the provision mentioned in Regulation 9 of the Citizen Investment Trust Financial Work Procedure By-laws 2068.



Long-term Plan at a Glance

Vision

“Operation of social welfare savings and mutual fund programs, specialized investment management of accrued fund and providing valued contribution to the prosperity of the nation by establishing itself as a premier institution in the field of capital market”

Mission

“Co-operation and collaboration, innovative management system, priority research and development, optimum mobilization of means and resources, modern information technology, effective client services including expansion of savings and mutual fund programs on the basis of mutual respect, good governance and healthy competition while providing investment management and capital market services”

Goal

Savings Program	Investment Management	Capital Market Services
To help increase the fund through savings and mutual fund programs.	To diversify investment in secured sectors guaranteeing return on the basis of risk analysis.	To accelerate the growth of capital market.
Objective		
<ol style="list-style-type: none">To attract Nepalese citizens residing in the country and abroad towards the programs offered by the Citizens Investment Trust.To operate CIT's additional programs related to social security.	<ol style="list-style-type: none">To invest in prioritized sectors. (Hydropower, infrastructure development, productive sector, tourism and export promotion, tools of capital market)To invest CIT's funds in sectors having minimum risks.	<ol style="list-style-type: none">To play the role of market maker and share transactions.To make tools of capital market service effective.

Financial Side of the Trust business, expected achievements and norms

Citizen Investment Trust

Savings Program

To promote social welfare, current savings based program will be continued and saving program will be effectively diversified. In this process, efforts will be made to ease access to domestic markets as well as foreign markets where Nepalese have toiled hard.

Achievements

1. Participants will have received additional services and facilities
2. Communications and relations at international level will have been established and extended.
3. Programs of the Trust will be made accessible to all.

Investment Management

Various tools and strategies shall be developed to invest the accumulated funds in profitable sectors. Investment promotion plans and programs will be focused in the areas of income, production and employment generation which will help in achieving national prosperity.

Achievements

1. Diversification will be attained in investment sector.
2. The area and boundary of participative loan will be broadened.
3. A mechanism will be formed for channeling the investment in minimum risk and secure sector.

Capital Market Service

The capital market service of the Trust shall be operated in a manner so as to make the capital market the backbone of national economy. IPO along with market makers, investment consultancy service and promotional works will be institutionalized on the basis of professional values and norms.

Achievements

1. One auxiliary company will have been established.
2. Role of consultancy service for the development of capital market.
3. There will be arrangements for issuing primary shares and share guarantee of productive and service oriented sectors

Values of the Trust

- Principles of fiscal discipline, financial stability and good governance shall be adhered to and every activity shall be made result-oriented.
- Every policies, rules and activities of the Trust shall be in the interest of the Trust
- Assuming its collective responsibility, the Trust shall carry out explorative and reformative activities and provide quality and efficient services to service seekers.
- The Trust shall fulfill its corporate social responsibility in its work area
- Engaging in healthy competition, the Trust shall be committed to fulfill its leadership role in the market.
- The employees shall be encouraged to be motivated and made accountable towards their responsibilities at the Trust
- Modernizing its information and technology unit, the Trust will be committed to provide easy and hassle-free services in time.
- Participative management procedures shall be given the highest priority.