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HIDCL

Newsletter

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HYDROELECTRICITY INVESTMENT & DEVELOPMENT COMPANY LIMITED

जलविद्युत लगानी तथा विकास कम्पनी लिमिटेड

CREATING OPPORTUNITIES FOR A BRIGHTER, PROSPEROUS NEPAL THROUGH THE DEVELOPMENT OF HYDROPOWER

HIDCL Appoints CIT as IPO Issue Manager



Chief Executive Officer of HIDCL, Mr. Deepak Rauniar and Executive Director of CIT, Mr. Ram Krishna Pokharel signing the agreement

HIDCL has appointed Citizen Investment Trust (CIT) as issue manager for its initial public offering (IPO) of Rs 2 billion worth 20 million units of shares.

CEO, Mr. Deepak Rauniar and Executive Director of CIT, Mr. Ram Krishna Pokharel signed an agreement to this effect on 21st December. CIT also has ensured sale of 10 million units of shares in the agreement. After issuing the public share, the company's issued capital will be Rs. 10 billion.

The necessary steps for filing the application at the Securities Board of Nepal (SEBON) for issuing IPO are under process. The expected date of IPO issuance depends on the time taken to acquire permission from SEBON.

Strategic meeting of the Board of Directors

A strategic meeting of the Board of Directors has been conducted. The meeting took inputs from the recently concluded Stakeholders Consultative Meeting, which was participated by eminent personalities from the Ministry of Energy, Ministry of Finance and different organizations like banking and insurance sectors, having direct or indirect stake with the hydropower sector of the country.

The meeting discussed on the future course of action that HIDCL needs to adopt, and the strategies upon which such actions should be based on.

The Board meeting also decided on establishing a subsidiary company of HIDCL as a Special Purpose Vehicle to implement the concept of Remittance Hydro and gave necessary authority to the Chief Executive Officer for the same.

Government Provides Approval on the Line of Credit Facility from ADB to HIDCL

The Government has confirmed on the proposed Hydroelectricity Financing Sector Development Program of Asian Development Bank. The government provided its approval on the Aide Memoire regarding the Project on the 4th of December. The Project is focused on providing a line of credit facility to HIDCL for onward investment on hydropower projects in the country.



Earlier in August, a consultation mission of ADB had visited HIDCL to explore the possibilities of mobilizing investment for the hydroelectricity sector of Nepal. Meeting with the officials of HIDCL, the mission had discussed in detail about the opportunities of providing the facility to HIDCL. Discussions were also held on the possibility of setting an off shore debt service reserve account to manage foreign exchange risk and catalyze foreign direct investment in Nepal's hydropower sector.

Consultations and discussions between HIDCL and ADB are underway regarding the terms of the proposed project line of credit, of which HIDCL will be the borrower as well as the executing and implementing agency.

Risk Assessment Cell formed to Assess 2 Projects

As per the requirement of the Lending Policy of HIDCL, Risk Assessment Cell has been formed for the assessment of two hydropower projects, proposed to be developed in Lamjung district of Western Development Region of Nepal; 49.6 MW Super Dordi Hydropower Project and 30 MW Nyadi Khola Hydropower Project. Super Dordi Hydropower Project is proposed to be developed by Peoples' Hydropower Limited in Dhodeni VDC of the district. The financing of the project is being arranged by a consortium of local financial institutions of Nepal. NABIL Bank Ltd. has assumed the lead to arrange the consortium of local financial institutions to finance the project.

Similarly, Nyadi Khola Hydropower Project is being promoted by Nyadi Hydropower Limited. Everest bank Ltd. is leading the consortium of commercial banks and financial institutions arranged to finance the project.

Financial Closure of Two Hydropower Projects of 45 MW Capacity

Financing arrangement has been made for two hydropower projects of total capacity of 45 MW. Financial closure for the 20 MW Bagmati Small Hydroelectric Project and the 25 MW Kabeli B-1 Hydroelectric Project has been recently concluded in Kathmandu. HIDCL is providing a debt finance of NRs. 40 Million for these projects.

The 20 MW Bagmati Small Hydropower Project, located in Lalitpur and Makwanpur Districts of Central Development Region will be financed by a local consortium led by Prime Commercial Bank. The financial closure for the project was concluded on the 12th of January. Ten banks and financial institutions including HIDCL with a debt share of NRs. 200 Million have come together in the consortium to provide a long term debt of NRs. 2,600 Million for the development of the project.

Similarly, a consortium led by Nepal Investment Bank Limited will provide a long term debt of NRs. 2,800 Million for the 25 MW Kabeli B-1 Hydropower Project, located in Panchthar and Taplejung Districts of the Eastern Development Region. HIDCL will be providing a debt of NRs. 200 Million through the consortium for the project. The financial closure was conducted on the 18th of January.



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