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HIDCL

Newsletter

A bimonthly email newsletter of

HYDROELECTRICITY INVESTMENT & DEVELOPMENT COMPANY LIMITED

जलविद्युत लगानी तथा विकास कम्पनी लिमिटेड

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

Participation in Nepal Infrastructure Summit-2014 as Knowledge Partner



Ambassador of People's Republic of China to Nepal, Mr. Wu Chuntai during a Session in the Summit

and Engineering Firms Nepal (SCAEF), and Federation of Indian Chambers of Commerce and Industry (FICCI) organized the first Infrastructure Summit in Nepal on 11-12 November 2014. HIDCL was the knowledge partner in the summit.

The CEO of HIDCL was a panelist in the Infrastructure Financing Mechanism track of the summit. He deliberated on the role of HIDCL as a focused institution in the hydropower sector of Nepal. Mr. Rauniar was also a panelist in the Investment Climate in Nepal session of the summit.

The summit was organized with the aim of facilitating the discourse on infrastructure development and to catalyze the acceleration of Nepal's economic growth by fast-tracking domestic and international investments in airports, energy, tourism, agribusiness, mass transit, water management and urban development. The summit was attended by Government Representatives, Policy Makers and Development Agencies, Infrastructure / Real Estate Developers, Architects and Engineers, Consultants, Civil Engineering Construction Companies, Specialty Contractors/ Subcontractors, Financial Institutions and Investment Companies, Bilateral and Multilateral Agencies, and the media.

The Confederation of Nepalese Industries (CNI) in partnership with the Government of Nepal (GON), Investment Board Nepal (IBN), Youth Community for Nepalese Contractors (YCNC), Japan International Cooperation Agency (JAICA), World Wild Fund (WWF), Nepal Engineering Association (NEA), Federation of Contractors Association of Nepal (FCAN), Independent Power Producers Association Nepal (IPPAN), Society of Consulting Architectural

Stakeholder Consultative Meeting Organized

For the development of future strategies of the company, HIDCL Board of Directors, on the 28th of October called a stakeholder consultative meeting involving different stakeholders from Government agencies to private sectors to banking and insurance sectors including shareholders group. The meeting was conducted under the Chairmanship of the Secretary of The Ministry of Energy and the Chairman of HIDCL, Mr. Rajendra Kishor Kshatri. The meeting was attended by other eminent personalities from different organizations having direct or indirect stake with the hydropower sector of the country.

The objective of conducting the meeting was to collect opinions from the participants on different issues pertaining to the future course of action that HIDCL needs to adopt and the strategies upon which such actions should be based on.

The meeting kicked off with welcome remarks from the CEO of HIDCL, Mr. Deepak Rauniar, who elaborated on the company, its functions and objectives and planned course of action. Then, the chairman explained the need of calling the meeting and went on further to shed light on the strategies that the company plans to adopt in the future, following the paths of international donor agencies like the World Bank, Asian Development Bank and International Finance Corporation. Talking about the current happenings in the energy sector and the activities of the company, he pointed out that there is lots of room for improvement for the sector in general and company in specific.

Noted speakers in the meeting were Mr. Baikuntha Aryal, Joint Secretary of Ministry of Finance, Mr. Sriranjan Lakoul, Secretary, Office of the Prime Minister and Council of Ministers, Mr. Ram Chandra Pandey, Managing Director, Nepal Electricity Authority, Mr. Upendra Poudyal, Vice President of Nepal Bankers' Association, Mr. Khadga Bahadur Bisht, President of IPPAN, among others.

The speakers expressed their opinions on issues related to the activities of HIDCL, the leadership role in the hydropower financing sector that it should assume, the pertaining legal and regulatory issues that HIDCL is faced with and the urgency of HIDCL to invest on equity of hydropower projects. The speakers focused on the need of technical capacity strengthening of the company, so that the commercial banks can rely on HIDCL regarding the technical aspects of hydropower projects.

Thanking the participants, Chairman, Mr. Kshatri in his concluding remarks said that the ideas and concerns brought forward in the meeting by the different participants were really helpful for HIDCL to frame its strategies and future course of action.

HIDCL Implements ERP System

With the objective to efficiently manage the internal and external resources and all operating and business activities of the organization, (HIDCL) has implemented an Enterprise Resource Planning (ERP) System.



The newly implemented ERP system will assist in efficient dissemination of information between different functional areas within the organization as well as create effective links with external stakeholders.

The key objective of implementing an ERP system in the Company is to bring together the disparate functions of the organization into a single system environment and therefore make the operations run more efficiently.

There are three basic modules in the system, the Administration and Human Resource Development Module, the Finance and Accounting Module and the Project Evaluation and Analysis Module. The company staffs are currently being trained on the use of the system. Full-fledged implementation of the system is expected to start within a couple of months.

Financial Closure of Two Hydropower Projects of 105.5 MW Capacity

Financial closure of two hydropower projects in which HIDCL has been involved as lender has been recently concluded during 2 different occasions in Kathmandu. Financing arrangement has been made for the 23.5 MW Solu Hydroelectric Project and the 82 MW Lower Solu Hydroelectric Project.

The financial closure for financing the 23.5 MW Solu Hydroelectric Project was concluded on 28th September. Eight banks and HIDCL agreed to provide NRs. 3.07 Billion to the project through a consortium led by Laxmi Bank Ltd. HIDCL will be providing NRs. 200 Million to the project.

Similarly, HIDCL and five Nepalese Banks have agreed to provide a long term debt of NRs. 3,000 Million for the development of the 82 MW Lower Solu Hydroelectric Project, under a consortium led by Prime Commercial Bank Ltd. The initial agreements signing ceremony was held in Kathmandu on the 9th of December. The project which is located just downstream of the 23.5 MW Solu HEP is also being financed by a group of international banks. The final signing of the agreements was done in the presence of all international lenders and Prime Commercial Bank in London on the 15th of December.

3rd Annual General Meeting Held

The third Annual General Meeting (AGM) of HIDCL was held in Kathmandu on 2071/7/2 at the company premise. The meeting was chaired by the Chairman of the Board of Directors of the Company, also the Secretary of the Ministry of Energy Government of Nepal Mr. Rajendra Kishor Kshatri. The meeting was participated by all the shareholders of the company and had representation from regulatory and related institutions such as the office of the Company Registrar, Nepal Rastra Bank etc.

The CEO of the company, in his capacity also as the company secretary of HIDCL, announced the quorum and the validity of the meeting. He then went on to welcome all the participants of the meeting. The Chairman presented the annual report of the company on behalf of the Board of Directors of HIDCL. After presenting his report, he opened the meeting for discussions on the report as well as on other matters related with company operations.

The AGM discussed the overall annual performance of the company and made suggestions on the future direction of the company. In totality, the AGM expressed satisfaction on the performance of the company. The AGM also approved the annual report of the Board of Directors, the Financial Statements of Fiscal Year 2070-71 and the appointment of CA Shailendra Uprety as the Statutory Auditor for the Fiscal Year (FY) 2071-72 as per the recommendation received from the office of the Auditor's General. The AGM also approved a cash dividend of 5% from the profits of the FY 2070-71.

The AGM also approved the amendments in the Article of Association and the Memorandum of Association of the. As a concluding remark, the Chairman expressed thanks to all the shareholders, stakeholders and members from the regulatory and other institutions attending the AGM for the continued support and cooperation that the company has received.

What is Stream Gauging? How Is It Done?

Stream gauging is the process of measuring the water discharge or flow at a particular point on a stream or river by using various instruments. The stream gauging instruments don't actually measure the flow of the stream, because making a direct measurement of flow is challenging. Instead the water level is measured as a substitute and a mathematical relation between water level and discharge is used to calculate the actual stream flow measurement.

The primary purpose for taking stream gauging measurements is to develop a historical record of the stream flow at the measurement site. Flow measurements are taken at the same measurement site multiple times throughout the year, every year.

Stream gauging involves the following steps:

- obtaining a continuous record of water level,
- making periodic discharge measurements,
- establishing and maintaining a relation between the level and discharge,
- applying the relation to the water level record to obtain a continuous record of discharge



A Typical Arrangement Used to Measure Water Level. The water level records are used to obtain the stream flow values.



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Hydroelectricity Investment and Development Company Ltd.

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