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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*

## Remit Hydro Limited Established



# REMIT HYDRO

## रेमिट हाइड्रो लिमिटेड

REMIT HYDRO LIMITED, a subsidiary company of HIDCL has been established as a Special Purpose Vehicle to implement the concept of Remittance Hydro. The board of directors had given necessary authority to the Chief Executive Officer for the establishment of the Company.

The company has been setup to develop a sizeable hydropower project by tapping remittance as a chief source of financing. Considering the current situation of large number of Nepalese youth working abroad, mainly in Middle East Asia and the enormous amount of money coming in Nepal as remittance, HIDCL has felt the urgent need of utilizing this resource and giving such remitting people an opportunity to get involved in the nation development.

The company has been set up as a part of its plan to execute a project under HIDCL's own leadership.



*Nepalese migrant workers queue up in the Department of Labor to receive official documents in order to leave Nepal*

The newly setup company is working on to identify suitable projects which are in the government's basket for filing applications to obtain the necessary license of the projects. The company is expected to make the people working abroad aware on the need of saving and contributing a part of their savings in infrastructure development. There has been keen interest on the company from large number of migrant workers.

## Change in the Composition of the Board of Directors

The composition of the Board of Directors of the company has been changed. Mr. Yogendra Gauchan, Assistant Financial Comptroller General of the Financial Comptroller General Office, Mr. Ram Sharan Pudasaini, Joint Secretary of Ministry of Finance and Mr. Ram Krishna Pokharel, Executive Director of Citizen Investment Trust are the three new directors.

### Mr. Yogendra Gauchan

Mr. Yogendra Gauchan, Assistant Financial Comptroller General of the Financial Comptroller General Office has been appointed as director of HIDCL on 2071/12/30. The Financial Comptroller General Office holds 10 lakhs units of shares of the company, equivalent to Rs. 1 Billion. According to the policy standards on the operation of the Company, one official (secretary or joint secretary) is appointed as director of the Company from the Ministry of Law, Justice, Constitutional Assembly and Parliamentary Affairs, and the Office of Financial Comptroller General, on rotational basis. Joint Secretary of the Ministry of Law, Justice, Constitutional Assembly and Parliamentary Affairs, Mr. Udaya Raj Sapkota represented as the ministry as a promoter director before Mr. Gauchan was appointed.

### Mr. Ram Sharan Pudasaini

Mr. Ram Sharan Pudasaini has been appointed as a director in the Board of Directors of HIDCL on 2071/11/22. Mr. Pudasaini is joint secretary at the Monitoring and Evaluation Division of the Ministry of Finance (MoF). MoF currently holds 20 lakhs units of shares of the company, equivalent to Rs. 2 Billion. Mr. Pudasaini is also the spokesperson of the ministry.

### Mr. Ram Krishna Pokharel

Mr. Ram Krishna Pokharel, Executive Director of Citizen Investment Trust (CIT) has been appointed as director in the BoD of HIDCL. Mr. Pokharel was appointed as director on 2071/12/23. According to the policy standards on the operation of the Company, one official is appointed as director of the Company from Employee Provident Fund, Rastriya Beema Sansthan and Citizen Investment Fund on rotational basis, as per the share ownership. Mr. Ashwini Kumar Thakur, Administrator of Rastriya Beema Sansthan (RBS) represented RBS as a director of HIDCL before Mr. Pokharel assumed the position. CIT currently holds 10 lakhs units of shares of the company equivalent to Rs. 1 Billion.

## Application for Survey License for Two Hydropower Projects by Remit Hydro Limited

Remit Hydro Limited, a subsidiary of HIDCL has applied for the survey license of two mid-sized hydropower projects from the government's basket.

Applications for the survey license of 71.5 MW Ghunsa Khola Hydropower Project and 53.7 MW Simbuwa Khola Hydropower Project was lodged at the Department of Electricity Development on Baisakh, 2072. Both the projects are located in Taplejung District of the Eastern Development Region. If approved, the two projects will be developed by Remit Hydro Limited, a subsidiary of HIDCL formed to tap the enormous amount of money coming into Nepal every year as remittance. Remit Hydro Limited was recently established for the purpose of developing mid-sized hydropower projects in Nepal, primarily by utilizing remittance as a source of financing and giving such remitting people an opportunity to get involved in nation development.

Feasibility study on Ghunsa has already been completed, while study on Simbuwa is yet to be done. The combined estimated cost for the projects is approximately Rs19 billion. HIDCL plans to hold 51 percent stake in each project,

24 percent investment will come from migrant workers, 10 percent from the locals, and the remaining 15 percent of the funding will be raised through initial public offering (IPO). With an objective to promote gender inclusion and to empower the women, 50 percent of the shares floated through IPO and those issued for the locals will be reserved for women. To ensure adequate funds from the migrant workers come, HIDCL has planned a scheme under which the workers can buy project shares on the basis of Equated Monthly Installment (EMI).

## **HIDCL Conferred "International Arch of Europe (Gold Category) Award"**



HIDCL has been conferred the prestigious 'International Arch of Europe (Gold Category) Award -2015' in recognition of its outstanding commitment to Quality, Excellence and Leadership by Business Initiative Directions, Spain. The award recognizes the pro-active work carried out by HIDCL in the financing of mid-mega hydroelectricity generation and transmission projects in the country while committing itself to the sound principles of quality.

In the last two and half years of its active operations, the company has gained strengths after strengths in its mission to provide leadership in the power sector finance and assume excellence in the country. HIDCL is already involved in the financing of eight hydro electricity projects of 20 MW to 82 MW capacity from its own funds in a consortium arrangement with local commercial banks.

It is also the on-lending agency of government of Nepal for the financing of USD 40 Million in a 37.6 MW project, making its total project involvement to nine. Further, the company has very recently established a subsidiary company through which it intends to develop a close to 120 MW hydroelectricity project. On the transmission front, HIDCL has made equity investments in Power Transmission Company Nepal, the company building the Nepal side of the first cross-border transmission line with India. Business Initiative Directions (BID) is a leading organization of Europe focused on promoting the quality culture.

The award, given to leaders by leaders with an objective to recognize the commitment of awarded companies to quality, has been instituted 29 years back covering over 100 countries. BID has informed HIDCL that companies and organizations from 116 countries that participated in its annual congress and associated events, including participating leaders and experts in quality and excellence submitted their votes for the candidacy of HIDCL to receive the IAE Award over the past ten months. The final decision to present the Award in the Gold category was made by the IAE Selection Committee on the basis of the criteria of the QC100 Total Quality Management Model which, in conjunction with BID's Quality Mix technology. Some of the prominent past recipients of the award include Indian Oil Corporation, Reliance Industries LTD, Tata Elxsi, NTPC Ltd, Reliance Energy, VSNL, ICICI Bank from India, Korea Electric Power Corporation from Korea, Arcelor Mittal-UK, Walmart-USA and many more. While the award brings international recognition to the proactive works carried out by HIDCL in its business domain, it also brings recognition to Nepal and its public sector enterprises on a global map.



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Hydroelectricity Investment and Development Company Ltd.

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