

Source: My Republica; 20 April, 2014

HIDCL to issue public shares worth Rs 2 billion

The Hydroelectricity Investment and Development Company Limited (HIDCL) is preparing to issue ordinary shares worth Rs 2 billion.

The second annual general meeting (AGM) of the company held on April 8 decided to float 20 million units of shares with face value of Rs 100 each to general public within this fiscal year.

Deepak Rauniyar, CEO of HIDCL, said the company had initiated necessary paper works to go public within mid-July.

"We will soon appoint issue manager and apply at the Securities Board of Nepal (Sebon), seeking permission to issue shares to general public," added Rauniyar.

If things go as planned, HIDCL's IPO is the second largest in the country's history after the Upper Tamakoshi Hydropower Project which has applied to issue 25.4 million units of shares Worth Rs 2.54 billion.

HIDCL was established by the government to mobilize fund for investment in large scale hydropower projects three years ago.



The AGM also approved the HIDCL board decision to change face value of shares to Rs 100 per unit from Rs 1,000 as prescribed in the company's prospectus.

"Face value of Rs 1,000 per unit might have been included in the prospectus considering the fact that hydropower projects need big investment. Now, we have lowered it to Rs 100 per unit to cover all types of investors," added Rauniyar. "The face value was lowered as per the suggestion of Sebon."

Niraj Giri, spokesperson for Sebon, said that stock market regulator, suggested to the company to lower face value of shares and fix limit for promoter shares at 70 percent and public shares at 30 percent.

HIDCL, however, kept share limits for promoters and general public unchanged at 80 percent and 20 percent, respectively.

The government has invested Rs 5 billion in the company. Likewise, Employees' Provident Fund, Citizens Investment Trust (CIT) and Rastriya Beema Sansthan have invested Rs 1 billion each. HIDCL has paid-up capital of Rs 10 billion and authorized capital of Rs 50 billion.

Officials said HIDCL is mulling over appoint CIT as the company's issue manager.

"It takes a maximum of 30 days to get Sebon's permission," Rauniyar said, adding that Sebon review committee studies the proposal and makes necessary suggestions if required.

The AGM also decided to distribute 5 percent cash dividend to HIDCL promoters. The company had earned Rs 410 million from interest income in the last fiscal year. It is yet to earn through investments in hydropower projects.

HIDCL recently decided to invest a total of Rs 2 billion to co-finance Mistri Khola (42 MW), Dordi (27 MW), Khani Khola (30 MW), Solu Khola (23.5 MW) and Kabeli (37.6) projects.

The company is evaluating two other medium-scale projects to make investment.

Source: My Republica; 23 April, 2014

Investment Board meeting ends inconclusively

The meeting of Investment Board Nepal (IBN) ended inconclusively on Wednesday, as officials of both IBN and the Ministry of Energy (MoE) staked claim to implement four mega hydropower projects and some transmission lines project.

The meeting was chaired by Prime Minister Sushil Koirala.



Prime Minister Sushil Koirala (center), Finance Minister Ram Sharan Mahat, and officials of Investment Board Nepal and the Ministry of Energy during a meeting at the Prime Minister's Office in Singha Durbar, Kathmandu on Wednesday. (Republica)

Though eight agendas were set for the meeting, the first two agendas occupied most of the time. In the meeting which continued for three hours, officials of both IBN and MoE argued that they were the authorized agency to implement Upper Marshyangdi, Upper Karnali, Tamakoshi III and Arun III hydropower projects and some transmission lines of high capacity. The next meeting would be held on Friday.

Similarly, officials of MoE and Ministry of Industry differed on bonus rates. The Bonus Act allows private companies to distribute 10 percent of the net profit for the year as bonus to employees. However, MoE officials said the rate was not practical in case of mega projects.

Source: My Republica; 25 April, 2014

Dozen trapped inside Upper Madi Hydro tunnel

At least 10 workers working in Upper Madi Hydro project in Kaski are reported to have been trapped in the under-construction tunnel of the project after a landslide blocked its exit on Friday.

Deputy Superintendent of Police (DSP), Rajesh Nath Basthola confirmed that a sudden landslide at around 1 PM on Friday blocked the outlet of the tunnel while some 10 workers were working inside.

The details of the incident is to follow shortly.