

HIE buys 75% of Bhotekoshi

POST REPORT
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In one of the biggest shares acquisitions in Nepal, Himal International Energy (HIE), a private Nepali energy company, has acquired 75 percent of the shares in Bhotekoshi

Koshi Power Company (BKPC), previously owned by Panda of Nepal Group, at a cost of approximately US\$ 22 million.

With the latest acquisition inked on 24th March, Himal International now owns 85 percent share in

BKPC while International Finance Corporation, a member of the World Bank Group, possesses 10 percent. The remaining 5 percent is owned by Harza, an American engineering company.

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Panda of Nepal is owned by Panda Global Holdings, a Dallas based Energy Company and MCNIC, owned by DTE Energy.

According to information given at a press conference organized here today, the US investors decided to sell their entire share in BKPC due to shift in investment policy, to concentrate on business activities inside the US.

Speaking at the program, Siddhartha Rana, new chairman of BKPC expressed delight over the deal and added, "Nepal's potential in the energy sector has been greatly talked about in the past. This is a major step towards our future endeavors in the energy business."

He also committed himself to work towards promoting corporate social responsibility and announced a plan to award some shares of the company to communities in 10 VDCs of Shindupalchowk district, which are located around the project site.

"Though we own 85 percent share in BKPC now, we intend to keep 51 percent in future and float the remaining shares among the public," he said. Sujit Mundul, CEO of Standard Chartered Bank Nepal - financial advisor and lead arranger of the acquisition finance - termed the deal the beginning of a new era of acquisition finance in Nepal.

Sujeev Shakya, president and Dr Sandip Shah, general manager of the company also highlighted various aspects of BKPC. Haiman Xia of IFC hailed the transaction as a positive and timely development for Nepal.

John Zamlen, authorized representatives of Panda and MCNIC said that BKPC was one of the most successful foreign investments in Nepal and added, "This share transfer nicely fits the future business strategies of all parties involved."

BKPC, which started commercial production in January 2001, has a total investment of US\$ 98 million and annual power sales to Nepal Electricity Authority worth US\$ 18 million on average.