

# Nepali shares goes up in BKPC

By A Staff Reporter

KATHMANDU, Mar. 27: Himal International Energy Pvt. Limited (HIEPL) Monday announced the acquisition of majority shares in Bhote Koshi Power Company (BKPC) Private Limited. The company said that the deal was reached on March 24, Friday.

HIEPL, that initially owned 10 per cent shares in the project launched in 1994, now also holds 75 per cent shares of Panda of Nepal, owned by Panda Global Holdings, a US-based energy company and MCNIC, owned by DTE Energy. HIEPL paid them US\$ 22 million to the companies that are divesting as per their strategy of exiting out of all global businesses and concentrating on the US markets. Global investor International Finance Corporation holds 10 per cent and the rest 5.0 per cent is owned by engineering firms.

Addressing a press conference today, Siddhartha Rana, new chairman of BKPC, expressed his joy over the completion of the acquisition. "This has been a project close to my heart,"



Siddhartha Rana

Rana said, adding, "Nepal's potential in energy sector has been greatly talked about in the past. This is a major step towards our future endeavours in energy business."

He also said that the company would float the shares to the public as early as possible.

Sujeev Shakya was named as the president of the company while Dr. Sandip Shah continues to be the general manager.

Speaking on the occasion, John Zamlen, a u t h o r i s e d representative of the outgoing foreign partners Panda and MCNIC said, "This share transfer nicely fits into the future business strategies of all the partners involved. It is truly a win-win milestone that had always been envisioned and that now has become a reality."

Haiman Xia of International Finance Corporation (IFC) said, "The transfer of majority ownership of BKPC from the original foreign partners to the local partner is a positive and timely development for Nepal. IFC is pleased to be associated with this project and strongly

supports this transaction. IFC and DGE – German Investment and Development Company, are the lead lenders of the project.

Sujit Mundal, CEO of Standard Chartered Bank Nepal, expressed his joy beginning of a new era of a new ear of acquisition finance in Nepal. Standard Chartered were financial advisors and lead arrangers of acquisition finance on the deal.

The BKPC is responsible for the implementation and management of the Upper Bhote Koshi Hydropower Project. The project is located on the Bhote Koshi River in the Sindhupalchok district of central Nepal, 70 kilometers away from Kathmandu. The Bhote Koshi originates from glaciers and glacier lakes in Tibet Autonomous Region of China. The assets of the company managed by Tara Management Private Limited were valued at US\$ 98 million at the time of its launch in 1994. The monthly power generation capacity of the project ranges between 21 Megawatt in dry season to 36 Megawatt in the rainy months.