Case Studies for Modalities of Share Offerings: Successes and Challenges in Nepal

UPPER TAMAKOSHI HYDROPOWER LIMITED

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In Upper Tamakoshi, Project developers UTKHPL offering 10% equity shares to the local people of Dolakha district as a mechanism of benefit sharing.

In addition, UTKHPL built 68 km public access road which benefited 1/3rd population of the Dolakha district of 21 VDCs.

4 VDCs has been fully electrified, and electrification is ongoing in 4 VDCs.

More than 40 schools and 2 health posts were supported by the project.

Royalty, skill development trainings, agricultural intensification programs, micro irrigations, employment, safe drinking water policy has been adopted for the livelihood changes of people of affected areas.

Due to Project approach road, new projects emerged to generate additional 500 MW power in Tamakoshi basins.
Upper Tamakoshi Hydropower Ltd.

- UTKHPL company was established under the company Act, on 27th Feb 2007 (2063 Falgun 15).
- The Debt, Equity ratio was fixed 70:30.
- From Equity, 105 million 900 thousand no. of shares allotted.
- 51% (54 million 9 thousands no.) of the shares on Promoter share; and
- 49% (51 million 891 thousands no.) fixed for the Ordinary shares.
- Memorandum of Article (Prabandhapatra) was amended on 13th July 2012 and fixed the ratio of Ordinary shares distributed to the public.
# Share Structures

<table>
<thead>
<tr>
<th>Promoter Share</th>
<th>Ordinary Share</th>
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<tbody>
<tr>
<td>1. NEA- 41%</td>
<td>1. Contributors of the EPF on dated 2067-4-14, 17.28% (18 million 299 thousands &amp; 520)</td>
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<td>2. NTC-6%</td>
<td>2. NEA &amp; UTKHPL Company staffs, 3.84% (4 million 66 thousands &amp; 560)</td>
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<tr>
<td>3. RBS-2%</td>
<td>3. Staffs of Lenders in UTK, 2.88% (3 million 49 thousands &amp; 920)</td>
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<td>4. CIT–2 %</td>
<td>4. Peoples of Dolakha District, 10% (10 million 590 thousands)</td>
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<td></td>
<td>5. Initial Public Offering (IPO), 15% (15 million 885 thousands)</td>
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Hydropower and Shares for Local

- Shares for Local district was decided during the MOU signing with EPF on 29th Jan 2008 (2064-10-15).
- District Coordination Committee (DCC) was formed at Charikot to establish the criteria for the distribution of shares for locals on April 2010.
- DCC body on Nov 07, 2013 decided to carryout population census to determine the exact eligible person for applying shares of UTKHPL.
- DCC body established some criteria for the eligibility of applying shares.
- 280,884 peoples were eligible for the application of Shares based on census to carryout by the DDC Dolakha.
- Based on the DCC recommendation, UTKHPL officially requested NRB for making provisions to provide deprived sector loans to the marginal groups of project developed district.
अपर तामाकोशी हाईडोपावर लिमिटेडको दोलखा जिल्लाबासीलाई वितरण हुने दश प्रतिष्ठात साधारण शेयर बाँडफाँडको सूचना।

अपर तामाकोशी हाईडोपावर लिमिटेडका दोलखा जिल्लाको लामाबागर गा.वि.स.का निर्माणाधिक ४५६ मेगा बाट क्षेत्रको माध्यमले तामाकोशी जलविधुत आयोजनाको दोलखा जिल्लाबासीलाई वितरण हुने दश प्रतिष्ठात साधारण शेयर निकट भ्रमणमा धिनोतप बाटै बाट स्वीकृत प्राप्त गरी नागरिक लगानी कोष बाट जारी गर्न लागिएकोले माध्यमले तामाकोशी जलविधुत आयोजनाको शेयर खरिद गर्न इच्छुक देखाउ बलमोजिमका धर्म पूर्व भएका दोलखा जिल्लाबासीलाई निम्न बलमोजिमका प्रमाणपत्रको सबूत तथा त्वस्को साईकाङी सक्रियता गरी राखिन्छ यो सूचना जारी गरिएको।

(क) दोलखा जिल्ला स्थायी ठाँगाना/स्थायी वासस्थान उल्लेख गरी नेपाली नागरिकता प्रमाण-पत्र प्राप्त गरेका पुरुष र आविवाहित महिला।

(ख) दोलखा जिल्ला स्थायी ठाँगाना/स्थायी वासस्थान उल्लेख गरी नेपाली नागरिकता प्रमाण-पत्र प्राप्त गरेका पुरुषनगर विवाह गरेका महिला।

(ग) दोलखा जिल्ला जन्म स्थान /स्थायी वासस्थान उल्लेख गरी अन्य जिल्लामा विवाह भएको सम्बन्ध लिएका एकल महिला।

(घ) बुंदा न. (क) बलमोजिमका पुरुष र बुंदा न. (ख) बलमोजिमका महिलावाद जन्मिएका नावालक छोराछोरीहरु।

(ड) आमाको स्थायी ठाँगाना/स्थायी वासस्थान दोलखा जिल्ला उल्लेख भएको तर बाबुलको पहिचान हुन नस्कोको नावालक।

(च) दोलखा जिल्लामा स्थायी रूपमा २०६४ माघ ५५ गतेश्बरमा बसाइसराइ गरी आएका नेपाली नागरिक।

(छ) यसर्य, शेयर खरिद गर्न इच्छुक दोलखा जिल्लाबासी नागरिकहरुले माध्यम उल्लेख गरिए बलमोजिमका आधार योग्यता सुनिले प्रमाण पत्र नवाएको भए यथा सिमिर बनाउनु हुन तथा पासपोर्ट बार्डको फाटो बनाउँ राख्नु हुन अनुरोध।

(ज) शेयर खरिद गर्न इच्छुक सम्पूर्ण दोलखा जिल्लाबासी नागरिकहरुले अनिवार्य रूपमा बैक खाता खोल्नु अनुरोध।
Offering Local Shares and challenges
Strikes by locals for more shares
Labor strike for demanding shares of UTK
Recently, DCC formed one task force committee to determine the share allotment no. in various groups based on the census made earlier with different categories.

The committee will analysis census based on the project area delineation criteria mentioned in EIA as well as SEBON regulation 2073, and recommend for further action to DCC.

Moreover, Highly affected area, affected area and rest of the areas will be categorized for further processes.

Hopefully, shares for locals will be open within this fiscal year.
वातावरण र सामाजिक कार्यक्रम अन्तर्गत गोंगर्मा निर्माण गरिएको स्वास्थ्य चौकी भवन
School Building constructed by Project at Jhamarsi, Sunkhani
Suspension Bridge for Riku Village
Electrical and Mechanical Training to Local People in Kathmandu
Headworks of UTKHPL
Underground Powerhouse of UTKHPL
Thank you!