



**CEO of Laxmi Bank Suman Joshi (right) shakes hand with executive chairman of Sanima Hydropower Arun Kumar Ojha in Kathmandu on Thursday.**

Himalayan News Service- A consortium of 11 financial institutions — led by Laxmi Bank — signed an agreement today with Sanima Mai Hydropower to finance Rs 2.02 billion for a 15.6 MW-run of the river project. "The lending financial institutions have committed to financing about 75 per cent of the project cost with the remaining 25 per cent invested by the promoters," according to the Laxmi Bank.

Laxmi Bank (Rs 304 million), Nabil Bank (Rs 294 million), DCBL Bank (Rs 223 million), Bank of Asia Nepal (Rs 178 million), Janata Bank Nepal (Rs 178 million), Nepal SBI Bank (Rs 178 million), Kumari Bank (Rs 178 million), Bank of Kathmandu (Rs 134 million), Siddhartha Bank (Rs 134 million), Machhapuchchhre Bank (Rs 134 million) and Ace Development Bank (Rs 90 million) have committed a project finance (term loan) for the project.

The Rs 2.7 billion-hydel project is being constructed on Mai Khola of Ilam district by Sanima Mai Hydropower Pvt Ltd that has

already signed Power Purchase Agreement (PPA) with Nepal Electricity Authority (NEA) in April. The project has received electricity generation License from the Ministry of Energy on September 14.

The company is promoted by 48 institutional and individual promoters including Sanima Group, Non-Resident Nepalese (NRN), experts, and professionals from the Nepali hydropower sector, according to the company.

Against the current demand of 886 MW electricity, Nepal has generated only 600 MW out of technically viable 43,000 MW capacity

from the country's vast water resources. The growing demand for energy far outpaces the power generation triggering long hours of power outages especially during the winter season.

According to NEA estimation, the electricity demand has been increasing by 10 per cent yearly that is about 60 to 70 MW of electricity each year to keep up with the energy demands. "By 2014-15, the demand will increase to 1,387 MW," according to the NEA forecast. No significant new hydropower project has been added into the national power grid in the past couple of years.

For further details you are kindly requested to go through the following web-pages:

<http://www.ekantipur.com/np/2067/8/2/full-news/320647/>

<http://epaper.ekantipur.com/showtext.aspx?boxid=25452718&parentid=10361&issuedate=19112010>

[http://www.epaper.thehimalayantimes.com/HT/HT/2010/11/19/ArticleHtmls/19\\_11\\_2010\\_011\\_002.shtml?Mode=0](http://www.epaper.thehimalayantimes.com/HT/HT/2010/11/19/ArticleHtmls/19_11_2010_011_002.shtml?Mode=0)

<http://nagarikplus.nagariknews.com/nagarik-epaper/book/375-nagarik-19-november-2010/2-nagarik.html>

[http://www.myrepublica.com/portal/index.php?action=news\\_details&news\\_id=25337](http://www.myrepublica.com/portal/index.php?action=news_details&news_id=25337)

[www.sari-energy.org-Nepal](http://www.sari-energy.org-Nepal)