



# e-News Flash

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## Inside this issue:

Indian FDI	2
Partnering for Power resources	2
Down Railway Lines	3
Figures that speak	3
Direction of the MBA's	4

## Positive step to lighten power limp

The Bhilwara Energy Ltd (BEL) reports of tying up finances worth Rs 663 crore for its 120 MW hydro power project in Nepal. "A consortium of Indian and Nepali Banks have pledged Rs 663 crore to its 120 MW Likhu IV Hydro Electric Project in Nepal being developed by a Special Purpose Vehicle of the company", a statement said. "This would go a long way to help Nepal in harnessing its hydro power potential and address its growing needs of power & also help India in the supply of much needed power".

The SPV, Green Venture, registered in Nepal and a JV Company with Triveni Energy of Nepal, has already acquired over 90 per cent of the required project land and started pre-construction activities.

The total capital outlay for the project is Rs 1,020 crore, says the BEL CEO O P Ajmera. The project has been approved for a total loan of Rs 663 crore by consortium of Indian and Nepali Bankers with IDBI Bank Ltd being the lead lender. The other members of the Consortium are Oriental Bank of Commerce, Punjab & Sind Bank, Exim Bank, PTC Financial Services and Everest Bank of Nepal.

Nepal India Cooperation on Hydropower (NICOH), estimates that Nepal has approximately 42,000 MW of economically feasible hydropower potential. However, the country has developed only approximately 600 MW of hydropower.



## In the neighbourhood

India and China will hold the 15th bilateral round of talks to address border claims, visas, cooperation and improve current bilateral trade from 60 billion to 100 billion dollars. The mid-month talks between India's National Security Advisor, Shankar Menon, and China's State Councilor, Dai Bingguo, will try and draw an acceptable common border mapping.

Despite the earlier cancellation in protest of the Buddhist conference in India with the Dalai Lama as the keynote speaker, the sensitivity of the territorial differences takes centre stage and so both sides will resume the top-level exchange.

The nations share a 4,500-km mountain border, a focus of several diplomatic and military clashes, with the 1962 war in the Himalayas as the most serious. The litigation is on for a 90,000-km area of Arunachal Pradesh, that China calls South Tibet.

Since Beijing & New Delhi both have outlined the foreign policy priority for 2012 as building confidence with the other, keeping top level exchange, expanding bilateral cooperation and relations in different fields is an obvious way forward.

## Whither goes Indian FDI ? Can Nepal get more, please!



Overseas investments by Indian companies stood at USD 1.46 billion in December 2011. As many as 415 overseas investment transactions were carried out by various companies in December. Outbound foreign direct investment (FDI) last month was almost 47 per cent less than the USD 2.74 billion in November, according to the Reserve Bank data released today. Experts attributed the month-on-month decline to the global economic slowdown and said such difference in monthly outbound FDI is normal.

Last month, the hospitality major Indian Hotels and diversified player Binani Group emerged as major investors. Indian Hotels committed USD 93.47 million to its Hong Kong-based wholly-owned subsidiary Taj International Hotels (HK), and USD 3.6 million to its US-based arm International Hotel Management Services, which is engaged in operations of similar nature.

Binani Industries committed USD 47.01 million to its Luxembourg-based WoS, BIL Holding I Sarl, and other investments worth USD 510,000 during the month in its arms based in the British Virgin Islands, the US and Mauritius.

Tata Steel committed USD 35.33 million in Tata Steel Asia Holdings Pte, its WOS based in Singapore, which is engaged in financial, insurance, real estate and business services. The company also invested USD 1.5 million in its Singapore-based joint venture Tata NYK Shipping Pte Ltd.

In the first nine months of the current fiscal (April-December), the outward FDI reached almost USD 25.3 billion. While Indian companies are expanding overseas footprint, the FDI inflows during the April-November period (latest data available) also reached USD 22.83 billion. In the last fiscal (2010-11) the FDI inflows crossed USD 19.43 billion.

The question that should concern us here is 'How much of India's outward bound FDI came into Nepal in this period?' Why not more ? Will it ever increase ? How ?

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## Partnering for Power Resources



India invites Bangladesh to participate in setting up power projects in its north eastern states, both countries agree to the advantages.

"The participation of Bangladesh in power projects in India, particularly in the north-eastern states of India adjoining Bangladesh, would be welcome," says External Affairs Ministry spokesman Syed Akbaruddin. India has a liberal policy permitting 100% FDI in respect of projects relating to electricity generation, transmission and distribution.

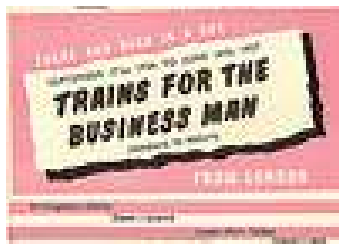
The details of such cooperation will be discussed at the forthcoming meeting of the Steering Committee on Power held at the level of Secretaries between the two countries. It was earlier agreed upon to promote trans-border cooperation in the management of shared water resources, hydropower potential & eco-systems, connectivity, and arrangements of cooperation in the generation, transmission and distribution of electricity, including electricity from renewable and other sources.

## Down the Railway Lines

Railways were first introduced to India in 1853 and by 1947, there were 42 rail systems. In 1951 the systems were nationalised as Indian Railways (IR), becoming one of the largest networks in the world.

In Nepal, the 1<sup>st</sup> Railway came during the Rana period with Raxaul-Amlekhagunj (NGR) and Jayanagar-Janakpur-Bijalpura (NJJR), two short distance 762 mm (2 ft 6 in) narrow gauge lines. The 39 km long NGR built in 1927 by the British was more important as it served people from different parts of the country to reach Amlekhagunj to get lorries for Bhimphedi. One could then reach Kathmandu from Bhimphedi on foot! The 6 km long metre gauge railway track from Raxaul was converted to broad gauge by IR to connect Sirsiya (Birgunj) Inland Container Depot (ICD) that became fully operational in 2005. It facilitates direct movement of containers and other cargo from and to Kolkata port and other places in India. It is the most important entry point for imports into Nepal and is the life line of Nepal commerce and trade as it is just a 700 km from this port.

At various times, talks around opening the railway route to Amlekhganj by converting it to broad gauge under Project Unigauge and to convert the Jayanagar-Janakpuur line to broad gauge with extension right upto Bardibas, have held centre-stage.

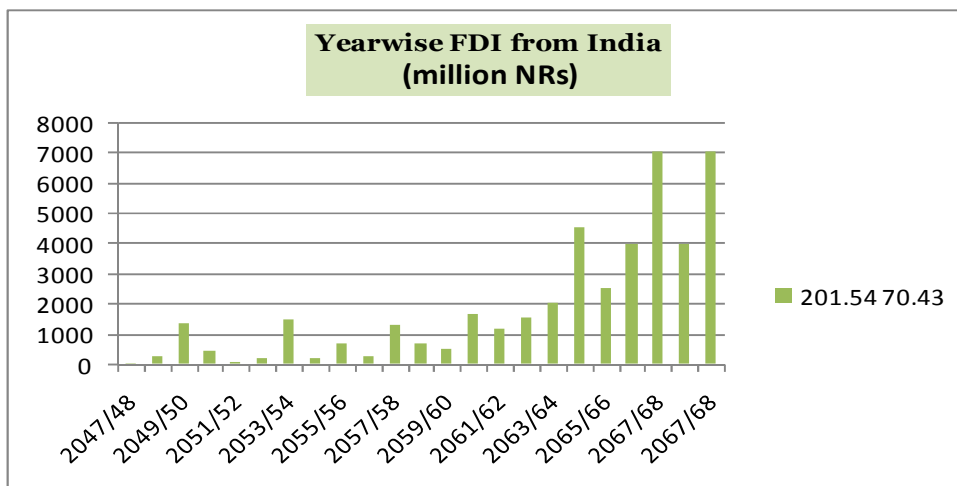


Nepal has an ambitious dream of running East-West Railway to link up Kathmandu & a North-South Railway to link the railway systems of India and China. The integration with the Asian and SAARC railway systems too is heard of, but would take a longer time. Now with India opening up the use of the Rohonpur-Singhabad metre gauge rail line, Nepal can increase the economic activity with Bangladesh.

But first the Meeting for review of the India-Nepal Rail Services Agreement ! Adding of Reefer Containers, allowing ALL types of wagons, reducing costs & time, better facilities for unload and onwards & ways to increase trade between the 2 countries are some of the points for consideration.

## Figures that speak

(source: DoI, GoN)



## The direction of the MBA's



The fast moving consumer goods (FMCG) sector has emerged as the sector of choice for business school graduates with Hindustan Unilever topping the list as the preferred recruiter, according to a Nielsen survey. 36% students preferred a career in the FMCG sector. A surprise for Nepal?

"With the FMCG growth in the country being driven by consumption, the sector continues to find favour with students who see it as a sector with huge growth potential," says Nielsen Executive Director Dinesh Kapoor.

In its 12th year, the study took the views of 1,100 final year students from the top 35 B-schools in India in October-November last year. After FMCG, the top sectors of choice are management consulting, IT consultancy and services, investment banking, foreign and domestic banks, IT product and development, financial institutions, retail and conglomerates. Amongst the recruiters of choice, HUL was followed by Google, Aditya Birla Group, Accenture, McKinsey & Co, Infosys, P&G, BCG, Citi Group, Microsoft, TAS and Axis Bank. The average salary expectations of the students from their dream company remained the same as compared to the last year i.e. Rs 16 lakh per annum, reflecting students gave more value to their role and job.

However, the salary expectation from a foreign company continues to remain almost double than that from an Indian company.

The 2011 Nielsen survey also showed that the top five dimensions students considered when it comes to seeking employment were high degree of independence at work, salary package, learning on the job, growth prospects and standing of the company in the market respectively.

It is high time the Organisations in Nepal start first by gauging themselves on these aspects & then take serious steps to attract young and bright HR from the B-Schools here.

"The HUL has undertaken a lot of work to become the destination for the best of talent" says a senior HR officer of the Company, "We are constantly identifying and grooming the next generation and leaders. We also invest a lot on training and mentoring talent," she said.

HUL won the number one position after a decade, and now has ranked the 'dream company' amongst B-school companies for the 3rd year in a row. It is closely followed by P&G, McKinsey & Co and ITC.

Again, let us ask, if the Organisations here are committed to take on such an exercise to attract good talent ?

(Reference: The Economic Times, Jan 12, 2012 & AC Neilson study)

### The Dream Job

- ▶ 36% MBA students preferred a career in FMCG sector, a Nielsen survey said
- ▶ HUL was followed by Google, Aditya Birla Group, Accenture as most sought-after companies
- ▶ McKinsey & Co, Infosys, P&G, BCG, Citi Group, Microsoft, TAS and Axis Bank also in wish list
- ▶ Average salary hopes of students from dream company remained the same as compared to the last year at ₹16 lakh pa
- ▶ Salary expectation from a foreign company continues to remain almost double than that from an Indian company

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