

Hydro-Power Summit, 14-15 March 2012, concludes in Kathmandu

After four-years, power developers from Nepal and India again gathered in Kathmandu for the 2 day Hydropower Summit 2012, which took place on March 14 and 15. The Summit was hosted in partnership with BP Koirala India -Nepal Foundation FNCCI, CII, NICCI, IPPAN, EXIM Bank of India and SEJON.

Inaugurating the Hydropower Summit 2012, Chief Guest Prime Minister Dr. Babu Ram Bhattarai said "Nepal government will focus its attention on developing the hydropower sector which will not only boost economic development of the country but also accelerate the overall development," According top priority to the development of hydropower sector in the country, he coined a new slogan, "**Democracy plus Hydropower equals to New Nepal.**"

He also informed that the government will soon hold a Power Trade Agreement with India that is expected to resolve the problem of market imperfections in electricity trade. Inviting Indian businessmen to invest in this country's hydropower sector Dr. Bhattarai promised to create a conducive environment for them.

Minister for Water Resources Posta Bahadur Bogati said the government of Nepal accords special priority to the storage type of hydropower project and expressed his commitment to construct medium range power projects like the Upper Karnali and Arun Third Projects by signing power purchase agreements and will conclude Power Development Agreement within 2 months with all developers who have applied for it.

Similarly, **Minister for Irrigation Mahendra Yadav** underlined the need to further enhance cooperation between Nepal and India on developing hydropower projects that would help minimise water-related disasters and provide irrigation benefits to both the countries.

Indian Ambassador to Nepal Jayant Prasad said that Indian investors are willing to make huge investments in Nepal's hydropower sector once favourable conditions are created. He said the development of hydropower sector will not only benefit Nepal economically but will also help in reducing carbon emission in the entire South Asian region. Hydropower development can create new employment opportunities, enhance economic development and also reduce trade imbalance of Nepal, he noted.

Suraj Vaidya, President FNCCI warned that the country



would never achieve economic prosperity if the political parties still keep on wrangling over the hydro-power issues. He underscored the need of motivating private sector for investing in the hydropower sector.

Subarna Das Shrestha, President of IPPAN said "The idea behind holding the summit is to discuss on investment climate in hydropower sector, how to work together with recently formed Investment Board and to chart out policies required to expedite hydropower development."

Member Secretary of Indian Development Commission Sudha Pillai put forth their views on the occasion. **Sanjiv Keshava, President of NICCI** introduced and highlighted on the Hydro Power Summit 2012.

The Summit discussed issues and shared experiences in 5 Technical Sessions in which 20 papers were presented. **For details, please login our website www.nicci.org.**



Inside this issue:

Glimpse and Highlight on Union	2-3
Members' CSR—Surya Nepal Masters	4

Indian Budget of India Proposal for 2012-13 - At a Glance

Sr. No.	Sr. No	Particulars	(In crore of Rupees)			
			2010-2011	2011-2012	2011-2012	2012-2013
			Actuals @	Budget Estimates	Revised Estimates	Budget Estimates
1		Revenue Receipts (2+3)	788471	789892	766989	935685
	2	Tax Revenue (net to centre)	569869	664457	642252	771071
	3	Non-Tax Revenue	218602	125435	124737	164614
4		Capital Receipts (5+6+7)\$	408857	467837	551730	555241
	5	Recoveries of Loans	12420	15020	14258	11650
	6	Other Receipts	22846	40000	15493	30000
	7	Borrowings and other liabilities *	373591	412817	521980	513590
8		Total Receipts (1+4)\$	1197328	1257729	1318720	1490925
9		Non-Plan Expenditure (10+12)	818299	816182	892116	969900
	10	On Revenue Account	726491	733558	815740	865596
		of which,				
	11	Interest Payments	234022	267986	275618	319759
	12	On Capital Account	91808	82624	76376	104304
13		Plan Expenditure (14+15)	379029	441547	426604	521025
	14	On Revenue Account	314232	363604	346201	420513
	15	On Capital Account	64797	77943	80404	100512
16		Total Expenditure (9+13)	1197328	1257729	1318720	1490925
	17	Revenue Expenditure (10+14)	1040723	1097162	1161940	1286109
	18	Of Which, Grants for creation of Capital Assets	87487	146853	137505	164672
	19	Capital Expenditure (12+15)	156605	160567	156780	204816
20		Revenue Deficit (17-1)	252252	307270	394951	350424
		% In respect of GDP	-3.3	-3.4	-4.4	-3.4
21		Effective Revenue Deficit (20-18)	164765	160417	257446	185752
		% In respect of GDP	-2.1	-1.8	-2.9	-1.8
22		Fiscal Deficit {16-(1+5+6)}	373591	412817	521980	513590
		% In respect of GDP	-4.9	-4.6	-5.9	-5.1
23		Primary Deficit (22-11)	139569	144831	246362	193831
		% In respect of GDP	-1.8	-1.6	-2.8	-1.9

GDP for BE 2012-13 has been projected at Rs 10159884 Crore assuming 14% growth over the Advance Estimates of 2011-12 (Rs 8912179 Crore) released by CSO.

@ - Actuals for 2011-12 are provisional

\$ - Excluding receipt under market stabilization scheme.

* - Included Draw Down of Cash Balance

Here are the highlights of the Budget.

National Economy

- Infrastructure will require Rs.50 lakh crore in 12th Plan, half of this from the private sector.
- Completion of highway projects 44 per cent higher than in previous fiscal.
- India's inflation structural, driven largely by agricultural constraints.
- Current account deficit 3.6 per cent in 2011-12; this put pressure on exchange rate.
- Growth in 2012-13 estimated at 7.6 per cent; expect inflation to be lower.
- Better monitoring of expenditure on government schemes.
- Fiscal 2011-12 year of recovery interrupted; reality turned out to be different.
- GDP growth in 2011-12 estimated at 6.9 per cent; had to battle double digit inflation for two years.
- Now at juncture where it is necessary to take hard decisions; have to accelerate pace of reforms.
- Agriculture and services continued to perform well; economy is now turning around; recovery in core sectors.



Tax and Duties

- Income tax exemption limit raised to Rs.2 lakh to provide relief of Rs.2,000 for all assesseees; 20 per cent tax on income over Rs.10 lakh, up from Rs.8 lakh.
- Excise duty raised from 10 to 12 per cent.
- Cinema industry exempted from service tax.
- Branded silver jewellery fully exempt from excise duty.
- Customs duty on warning systems/track upgrade equipment for railways reduced from 10 per cent to 7.5 per cent.
- Import duty on equipment for iron ore mining reduced from 7.5 to 2.5 per cent.
- Service tax rate raised from 10 per cent to 12 per cent to bring in Rs.18,660 crore.
- No change in corporate taxes but measures to enable them better access funds.
- Withholding tax on external commercial borrowings reduced from 20 per cent to five per cent for power, airlines, roads, bridges, affordable houses and fertiliser sectors.

Social Reform

- National Skill Development Fund allocated Rs.1,000 crore.
- Four thousand residential quarters to be constructed for paramilitary forces with an allocation of Rs.1,185 crore.
- Integrated Child Development Scheme to be strengthened and restructured with allocation of Rs.15,850 crore.

National Campions and Market Reforms

- National Population Register to be completed in two years.
- National mission on food processing to be started in cooperation with state governments.
- From 2012-13, full subsidies for providing food security; in other sectors to the extent the economy can bear this.
- Corporate market reforms to be initiated.

Good Governance and Anti money laundering Steps

- Number of proactive steps taken on black money (stashed away abroad); White Paper in current session.
- Addressing malnutrition, black money and corruption in public life among five priorities in year ahead.

Banking Sector

- Deduction of up to Rs.10,000 from interest from savings bank accounts.
- Infusion of Rs.15,888 crore in public sector banks, regional rural banks and NABARD in 2012-13.
- Bills on micro-finance institutions, national land bank and public debt management among those to be introduced in 2012-13.

Water Resource, Irrigation and Climate Change

- Irrigation and water resource company to be operationalised.
- Allocation of Rs.200 crore for research on climate change.
- Allocation of Rs.14,000 crore for rural water supply and sanitation.

Defence

- Defence to get Rs.1.93 lakh crore during 2012-13.

Borrowings

- External commercial borrowing of up to \$1 billion permitted for airline sector.
- External commercial borrowings permitted to low-cost housing sector.

Investments

- Hope to raise Rs.30,000 crore from disinvestments.
- New equity savings scheme to provide for income tax deduction of 50 per cent for those who invest Rs.50,000 in equity and whose annual income is less than Rs.10 lakh.

Read more at: <http://www.ndtv.com/article/india/union-budget-2012-highlights-186645&cp>



GPO Box 13245,
Ace Apartments, Naxal,
Narayanchaur, Kathmandu
Phone: 977-1-4444607

Fax: 977-1-4444608
Email: secretariat@nicci.org

**We are on Web at
www.nicci.org**

- In a rare instance, youth prevailed when Abhijit Chadha lifted the Surya Nepal Masters 2012 title, beating a fighting Vijay Kumar to second spot and a nursing Shiva Ram Shrestha who tied with an improving Mukesh Kumar for the third spot.

For the record, the Chandigarh pro shot a final round of 4-under 68 while Vijay signed an even par card of 72. Shiva Ram went 1-over 73 while Mukesh submitted a card of 71. Abhijit Raju Ali Mollah and Gaurav Pratap Singh were tied for the fifth place at 4-under 284, with Raju shooting a final round 68. Tashi Tsering walked away with the honours in the amateur section with a total of 8-over 286 and finished in the tied-25th position overall.

The young lad walked away with a pay cheque of NPR 646,600 while Vijay Kumar was richer by NPR



NICCI Members' CSR— Surya Nepal Masters

Abhijit wins Surya Nepal Masters 2012



The Surya Nepal Masters is a Khel Paryatan venture of SNPL. 20-year old Abhijit Singh Chadha has won the 19th edition of the Surya Nepal Masters held in Kathmandu (from 13-17 March 2012) at the Gokarna Golf Club on Saturday, 17th March.

The lead group in the final round of the of the Surya Nepal Masters consisted of a mix of youth, aggression and experience and started on an even keel, tied at 8-under each.

There was 27-year-old Shiva Ram Shrestha, Nepal's No.1 on whom the hosts' had pinned their hopes of a victory in the mega event and finally there was 44-year-old former Indian Open winner Vijay Kumar who had lost count of the tournament he has played in his career thus far.



446,600. Mukesh and Shiva Ram had to be content with a cash prize of Rs 226600. The winners were felicitated by Mr. Madhav Prasad Ghimire, Chief Secretary, Govt. of Nepal and Mr. Leela Mani Poudel, Secretary, Govt. of Nepal along with Sanjiv Keshava, MD, Surya Nepal Pvt. Ltd., Rabin-dra Man Shrestha, President NPGA and Uttam Singh Munday, Director PGTI.

On the occasion, the Chief Secretary released SNPL's corporate calendar whose theme was the visit Lumbini Year 2012 which was earlier announced by the Govt. of Nepal.

NICCI Members are requested to send their Corporate Social Responsibility activities (soft copy) at secretariat@nicci.org to share among readers of NICCI thru E-News Flash.