

BUDGET SPEECH

OF

THE FISCAL YEAR

2001/2002

His Majesty's Government

Ministry of Finance

2001

(Unofficial Translation)

Budget Speech of the Fiscal Year

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Delivered by

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Finance Minister

To the Twentieth Session of the Parliament

9 July, 2001

His Majesty's Government

Ministry of Finance

Right Honorable Speaker,

1. I have the great honour of presenting the annual budget of the FY 2001/02 to this session of the parliament. Before I do so, I would like to express my heartfelt congratulation to His Majesty King Gyanendra Bir Bikram Sahadev on his accession to the throne.
2. I would also like to wish, at this opportunity, to pay my homage, from the depth of my heart, to the departed souls of the late King, late Queen, members of the Royal family and the relatives of the royalties who fell victims of the tragic incident on the first of June, 2001. I pray that all the departed souls rest in eternal peace. Please allow me also to add that the late King Birendra will be remembered for all time to come by this august house of Parliament as the beloved monarch who cared for the fundamental rights of the citizen and who always held the noble cause of this country's development so dear to his heart.
3. Allow me, at this time, also to pay my deep respects to all the Nepalese sisters and brothers and to pay my heartfelt homage to all the martyrs who sacrificed their lives for the noble cause of democracy. The acts of total dedication as demonstrated by the Nepal Police Force in recent times to the cause of law and order in the Nepalese society deserve deep appreciation. I would also like to express my sentiments of homage to those members of this force who lost their lives in violent assault.
4. To mention the main thrust of this budget in short, it embodies reform measures necessary to foster a healthy macroeconomic structure by improving our strategies and program of those sectors of the economy which are lagging and by consolidating our achievements made during the post democracy restoration years.

Review of the current year's performances

Right Honorable Speaker,

5. I have had the honor of presenting the Economic Survey, 2000/01 as a report on the economic scenario of the country which contained mainly the important socio-economic indicators, data concerning various sectors and analyses based interpretations of those data, basic courses of the economy, achievements and the tasks that lie ahead. I, therefore, would briefly in highlight the updated indicators of the economic performances during the current fiscal year (FY) 2000/01.

6. First, I am happy to report that improvements in several macroeconomic indicators like GDP/investment ratio, inflation and export/import ratio are visible. Economic growth rate calculated on the basis of the available data of the first eight months of the current FY is estimated at 5.8 percent as compared to 6.4 percent last year. Agriculture sector's growth rate is estimated at 4 percent and that of non-agriculture at 6.9 percent both at factor cost during this period.
7. The ratio of investment to GDP after sliding continually for the last three years from FY 1995/96, picked up to 24.3 percent in the last FY 1999/00. This FY, it is estimated to surge further to 25.7 percent. Corollary to these improvements, the ratio of gross domestic savings to GDP also improved to 16.1 percent.
8. Total export during the review period of current FY rose by 19.7 percent compared to that of the last FY. Import during the current year's review period, increased at the low rate 8.5 percent. The structural improvements mirrored in the balance of payments situation for the past few years have been continued this year as well. Firstly, the export has begun to contribute considerably to maintaining the balance of payments in country's favor. To cite the case in point, export earnings in FY 1999/00, sufficed to cover 48 percent of the total import bill compared to 31 percent of that in FY 1997/98. Secondly, trade deficit which stood at 20.4 percent of GDP in FY 1997/98 is estimated to shrink to 14.6 percent in FY 1999/00. Thirdly, the deficit in current account in FY 1999/00 dropped below 2 percent of the GDP compared to 5 percent in FY 1997/98. For the past several years, foreign grants used to make up such deficit to a large extent. In recent years, the remittances and the service income have been of great help in balancing the external sector in the place of foreign grants. Finally, balance of payments continue to remain firm in our favor due to considerable improvements in the current account. The surplus in balance of payments, which amounted to Rs 9,840.0 million in FY 1998/99 surged nearly to Rs 14,430.0 million in total in the following FY. On the whole, the high level of balance of payments surplus is reflected also in the sizable increase in the foreign exchange reserve to Rs 107,610.0 million by mid-March, 2001 signaling of favorable climate to the foreign private investors to invest in Nepal.
9. As regards the prices, the National Urban Consumer Price index during the review period of the current FY with FY 1995/96 as base year increased by 2.1 percent only thereby helping to maintain a stable price level.

10. A total budget of Rs91,621.3 million was earmarked for expenditures for the current FY, including Rs43,512.7 million for regular expenditures and Rs48,108.6 million for development expenditures. The revised estimate of the regular expenditure now stands at Rs43,460.9 million (99.8 percent). On development expenditures, the revised estimate figure stands at 82.6 per cent (Rs39,763.8 million) against its original estimate.
11. Revenue collection amounting to Rs 42,893.7 million was realized during the FY1999/00. In the current FY it increased by 15.6 percent and the revised estimate of the revenue stands at Rs49,606.8 million. This amount is 93.6 percent of the revenue collection target of the current FY. In FY 1999/00, revenue collection was 11.3 percent of the GDP, while it is estimated to grow by 12.1 percent in the current FY.
12. I must also admit the facts, all the honorable members of the parliament are aware of, that there were negative impacts on the economy due to the events of political, social and economic origins. The GDP at constant price originating from manufacturing industry, construction, trade and hotels and restaurants sub-sectors increased at slower rate than that of the past year. It is also feared that the incidence of violence, strikes and the unimaginable incidence in the Royal Palace in the past month, all would have negative effects in the economic life.

The Challenges Ahead

Right Honorable Speaker,

13. Poverty poses a daunting challenge to us. The pace at which the poverty level is indicated as receding has remained sluggish. At the initial year of the Eighth Plan, 49.0 percent of the total population was living below poverty line. As per the countrywide survey conducted at the beginning of the Ninth Plan, the poverty level decreased to 42.0 percent. It is estimated to have dropped to 38.0 percent by the third year of this Plan. Given these observations, our past efforts at poverty alleviation leave hardly any room for satisfaction and effectiveness.
14. There is no denial of the reasons underlying this sluggishness. The targeted programs are scattered, and are implemented with little co-ordination, at places the programs are found repeated while the proper monitoring and follow-up are conspicuously lacking, all producing ephemeral results.

15. here are, however, some improvements noticeable in the human development index during the last 10 years span. In the calendar year 1990, for instance, this index for Nepal was recorded as 0.415 placing us in 152nd position in the world community. By the year 1999, the index moved upward to 0.480 changing our position to 129th. Nevertheless, the fact that the access of the deprived masses is still limited and the population growth rate is still high, remains.
16. We have a reality, on the one hand, that the liberal policy adopted by the government has helped private sector to expand its activities and its competitiveness and efficiency have moved in the positive direction. We do have the another bitter facts before us that the society is under the grip of social and economic tension, law and order situation is worsening, strike prone attitudes are on the rise. Above all, the chain of political events have been counterproductive to the domestic and foreign private investors to come forward. Many industries have already become sick due to internal and external reasons.
17. The export trade from the base of Rs 5,000 million in FY 1989/90 is estimated to leap to Rs 62,000 million level by the current FY. Yet the major items of our export, such as carpets, *Pashmina* (lamb's wool products), and ready-made garments are limping. All these phenomena urgently call for a heightened effort on our part to gear up our competitiveness, quality assurances and credibility in the international market we face.
18. Additional efforts are also in high order to increase the production from both agriculture and non-agriculture sectors alike by their diversification for the economy to grow at a higher rate that is sustainable and broad based. Nepal, known as rich in bio-diversity, has opened up vast opportunities in agriculture and forestry development. Yet our efforts so far seem far less than adequate.
19. We have had maximum of our resources channeled to the development of essential physical infrastructure such as roads, bridges, irrigation, drinking water, electricity in the past several years. These infrastructure continue to suffer from weak implementation and management postures and leakages resulting in loss of returns. Budget allocation exercise is still in the traditional mode of guess work. Tendency to put pressure for inflated budget instead of result based budget is on the rise while the investment portfolio is already overcrowded with the projects and programs beyond the limit our economy can afford.

20. In recent years, the recurrent expenditures continue to be under increasing pressure to further rise due to the increase in the wage bill, pension, debt servicing and the expenditures required for maintaining law and order. To cite an example of developing pressure, the pension liability of the government, 15 years from now, is going to be more than 66 percent of the total of salary and allowances.
21. Most of the public enterprises are operating in losses. According to an estimate, combined losses will amount to 0.7 percent of the net capital during current year. While these enterprises are already under the financial over burden the long-term financial liability is being added by the increasing demand for more facilities by the personnel of other enterprises partially owned by the government. It is ill-prepared to effort such liability.
22. Newly opened financial institutions are not well regulated. The commercial banks posses high liquidity but the reserve ratio being maintained is less than desirable. Bad debts are mounting Financial sector's situation is therefore not problem free.
23. Corruption, leakage and economic anomalies need to be addressed urgently. Equally urgent is the task of good governance for which civil administration needs to be made responsive, accountable and transparent in its dealing with the people it is to serve by focussing on the upgrading of institutional capacity. On the other hand, the financial rules and regulations that govern financial transactions also warrant timely review and reform.
24. It is imperative that our concerted efforts are consistently channeled towards meeting the challenges of our economic structure active participation of the people from all walks of life is expected to make our economic reform campaign a success. Any reform put in place by annual budgets of a year or two will not suffice. Cooperation and commitment of all political forces and civil society in unison is called for added efforts of strength, change in working style, strengthened institutional capacity and a discipline of high order. Through this budget, I have initiated some measures toward building a sustainable economic structure by bringing reforms in the process, policy, and institutions. This initiative was necessitated by the need to arrive at minimum national consensus on some major issues, *inter alia*, creation of appropriate environment for the promotion of industry, commerce and tourism; maintenance of law and order and curbing corruption, which the Right Honorable Prime Minister proposed for the economic reconstruction of the country.

Right Honorable Speaker,

25. I have submitted details of ministry-wise expenditures, targets and progress in line with objectives, policies and programs underlying the annual budget for FY 2000/01.
26. Now, allow me to submit the objectives, policies, strategies and sectoral programs for the next FY.

Objectives, Strategies and Programs

27. The prime objective of this budget is to reduce poverty by strengthening the liberal and market oriented economic reform policies pursued earlier for building a healthy and strong economy. On the one hand, it is imperative to achieve broad-based sustainable higher economic growth rate by best utilizing available resources, while on the other hand, it is also necessary to ensure the access of deprived people to benefits created by such growth, create opportunities for human development and employment, and guarantee the social justice and security. Following policies will be adopted to achieve these objectives of this budget.

- Improving the environment for investment,
- Bringing dynamism in financial sectors,
- Keeping public expenditures to an affordable limit,
- Enhancing the access of deprived class to productive resources,
- Strengthening good governance and decentralization.

Commercialization of Agriculture and Forestry Sectors

28. Agriculture is the backbone of our economy. Our efforts directed towards controlling poverty cannot bear fruit without improving the living standard of farmers by changing the traditional and subsistence oriented agriculture. In order to commercialize traditional agriculture, delivery system for providing high yielding varieties of seeds, fertilizers, appropriate technology, irrigation facilities and agricultural loan in agricultural pocket areas identified for program implementation will be strengthened in line with the work plan envisaged in Agricultural Perspective Plan. The production centers will be connected to the markets through additional provisions of agricultural roads and rural electrification. For this, I have significantly increased the share of investment in agriculture, rural roads, rural electrification, irrigation and appropriate technology.

29. A provision has been made to lower the interest rate by 1 percent to promote commercial farming of exportable as well as other cash crops such as honey, cut flower, fresh vegetables, lentils, betel nuts, fruits, spices, cardamom, mango, banana, orange, apple, wall-nut, apricot, oil seeds, tobacco, and medicinal herbs. Such concessional loan will also be available for other identified priority sector.
30. The delivery system of agricultural technology and inputs will be strengthened in 21 different districts having minimum or no road facilities and experiencing food deficits. The special programs for increasing agricultural production implemented in those areas have been continued and inter linked with small irrigation and agricultural loan program in order for making those areas self sufficient
31. The rate of interest on the loan channeled through Agricultural Development Bank for expansion of areas under tea growing, improvement of the quality and enhancement of productivity of tea estates of Jhapa, Ilam, Panchthar, Dhankuta, Sankhuwasabha and Tehrathum, will be reduced to 10 percent. The new rate is 2 percent less than the rate prevailing at present and will be applicable for the new borrowings only. In order for promoting tea plantation in other districts having good prospects of tea growing, an arrangement has been made for providing additional 50 percent subsidy on the interest rate for the next five years.
32. The program of providing concessional loans in the districts of Morang, Ilam, Jhapa, Chitawan, Rupandehi, Dhanusa, Kaski, Kabhre and rural areas of Kathmandu for the increase in production of milk, diversification of dairy business, production of high value dairy products and establishment of milk processing industries will be continued.
33. In the next three years, sericulture farming will be expanded in 10 districts for the commercial production of silk.
34. Keeping in view the district of Jumla in the Karnali Zone to be linked by motorable road during next two years animal husbandry, pasture development program, horticulture development, seed growing and extension, and farmer training program will be made more effective under the Karnali Zone Special Program of Agriculture Development. In order for promoting income generating commercial horticulture farms, seeds of potato, apple, mushroom, wall nuts, saffron, and *Panch Aunle* will be widely distributed in all of the five districts of the Zone. The saplings of orange and lime will be distributed in

Kalikot District. Loans for such commercial farming programs will be made available at a low interest rate of 10 percent.

35. Rate of interest will be curtailed by two percent on credit for commercialized horticulture farming in those districts where Integrated Internal Security and Development Programs are being executed as well those which are already linked and those to be linked with motorable road in the coming 3 years.

Rehabilitation of Sick Industries

Right Honorable Speaker,

36. A high level "Sick Industry Rehabilitation Committee" will be formed to rehabilitate the sick industries and tourism businesses. The Committee will identify such sick industries and tourism businesses, find out their causes for sickness, explore possibilities of rehabilitation, and implement the rehabilitation programs and facilitate supervision and monitoring of such program by providing an institutional co-ordination mechanism. The committee will be composed of representatives of Ministry of Industry, Commerce and Supplies, Ministry of Finance, Federation of Nepal Chamber of Commerce and Industry, Tourism related business concerns, Nepal Rastra Bank and Bankers' Association under the coordinator role of the National Planning Commission. An essential additional capital will be made available by providing loan at a low interest rate of 7.5 percent from different commercial and development banks for the re-operation of those sick industries as approved by the Committee based on set criteria. Similarly, rescheduling of due loan and interest, waiver of penal interest and capitalized interest, freezing of interest liability and concession on outstanding revenue dues will also be arranged. Provision of technical support will also be made if necessary. Nepal Rastra Bank has made a provision of up to Rs 1000.00 million for refinancing commercial banks loans to such activities.
37. Financial Administrations Rules will be amended and followed in the coming FY to promote consumption of the quality domestic products like cloth, drugs, shoes, cement, iron, and furniture by the government offices and public enterprises to the extent they become available. In addition to this, public awareness campaign of "Be self reliant, consume domestic products" will be launched to encourage the consumption of domestic products by the private sector organizations and general public. A separate unit will be set up in the Ministry of Industries, Commerce and Supplies to coordinate the activities of this campaign and regular monitoring of the price, quality and quantity of goods and services procured by the public sector.

38. To rejuvenate the tourism sector, which has been adversely affected by the negative propaganda made in the media of the outside world and the episodes of the recent past, various promotional activities will intensively be carried out with the joint partnership of the government and the private sector.
39. A special two year program called "Destination Nepal" will be launched in 2002. Public awareness program will also be implemented to promote and make it more effective.

Investment Promotion

40. With a view to promote investment of the private sector in the areas of comparative advantage, industrial, hydropower and export policies will be reviewed and updated and a bill will be presented in the parliament to amend the related laws.
41. To further simplify the process of foreign investment in the sectors opened for such investment, arrangement will be made so that the Director General of the Department of Industries will be authorized to issue licenses for investment up to Rs 1,000.0 million. Similarly the activities which prompt industrial tensions and have negative impact on industries will be discouraged in consultation with concerned parties. A special industrial security system will be established with participation of the private sector.
42. To encourage the investment of the foreign country based Nepalese nationals, administrative, fiscal and other concessions and incentives will be provided at par with native Nepalese nationals. Necessary measures will be put in place to allow investment funds to come without requiring to declare the source of earning of such funds and to repatriate profit from such investment and the dividend as well as the proceeds from the disposal of assets and share in convertible currency. To this effect prompt actions will be initiated to amend the related laws.
43. Additional services will be promoted with the participation of the private sector in the industrial estates where basic infrastructure has already been developed to convert them into Special Industrial Zone. Such conversion will be started in the Dharan-Biratnagar, Birgunj-Parwanipur, Butwal-Bhairawa, Nepalgunj-Kohalpur and Dhangadhi-Ataria corridoRs Arrangements will be made to provide other services including guarantee of regular supply of electricity by the Nepal Electricity Authority in these corridors including industrial estates.

44. In accordance with the policy of encouraging the private sector investment in the hydro power projects, small and medium sized power projects have been listed in the priority list and a provision has been made for the commercial banks to invest up to Rs 100.0 million for each projects.

Export Promotion

45. The export sector continues to face problems of narrow base and limited country focus although a significant improvement has been recorded in this sector in recent years. A provision has been made to lower the interest rate by 1.5 percent on export loan provided by the commercial banks to the exporters in convertible foreign currency and to make the exports of Pashmina shawl, ready-made garments, carpets and handicrafts more reliable and sustainable. Similarly, interest on export loans provided in the Nepalese currency will be lowered by one percent in the coming FY.
46. In order to maintain the standard quality of *Pashmina*, arrangement will be made for importers to compulsorily produce the quality certificate of the raw material issued by the concerned authority of the country of origin of import at the customs points.
47. The operation moralities of the existing duty draw back system under One Window Policy will be improved to facilitate the refund of duty paid on imports of raw materials by the exporters. Such refunds will be in proportion of the export value of items made out of the imported raw materials. Starting from the next FY, Pass Book shall be issued to each eligible exporter for the purpose of duty draw back from the custom point at the time finished products are exported. Five years debenture bearing 5 percent interest rate will be issued to those exporters who have not been able to get their duty draw back for the last few years.
48. Emphasis will be given for operation of 3 already completed dry ports, for the construction of Container Freight Station at Kolkata Port under the Nepal Transit and Warehousing Company and for the maximum utilization Fulbari-Banglabandh Transit Route. I am confident that this will increase the competitiveness of the export sector by reducing transit time and costs significantly.
49. To establish export promotion zones in the vicinity of dry ports in Birgunj, Biratnagar and Bhairawa, land acquisition will be completed and the infrastructure will be developed with the private sector participation.

50. To promote the export trade to a new height in a sustainable manner the Export Promotion Fund in collaboration with the private sector will engage in itself in the development of infrastructure and implementation of export promotion program to observe the year 2003 as the "Export Year ".I am confident that this program will help mitigate the problems faced by the main exportable items and identify and develop new items of export as well.

Information Technology (IT)

Right Honorable Speaker,

51. In order to exploit the potentials of Information Technology sector in favor of export and employment generation due attention will be paid to the development of infrastructure and manpower. A target of imparting training of lower, medium and higher level skills in various aspects of IT to 50,000 youth in association with the private sector and NGOs has been set for next three yearRs The Ministry of Science and Technology will execute such program in coordination with the Employment Promotion Commission. The construction of the proposed Technology Park will be completed within the next two yearRs
52. IT sector will be included in priority sector list for the purpose of concessional flow of credit. To minimize the risk exposures of the fixed capital employed in the production if hardware and software necessary amount has been set aside to establish a Venture Capital Fund in association with the private sector.
53. The Internet facility initiated in the secondary level schools in Kathmandu Valley will be extended to the public schools of similar level under the areas of municipalities of Birgunj, Pokhara and Biratnagar. The text books for upto secondary level produced by Janak Education Center will be provided in the web site of the Internet.
54. The necessary arrangement have been made for educational loan up to Rs 0.3 million to the participating personnel for their children to study IT and other technical subjects through the Provident Fund.

Financial Sector Reform

55. Financial sector reform activities aimed at solving the financial sector problems initiated in the past FYs will be continued. Management contract for Nepal Bank Limited and the Rastriya Banijya Bank will be concluded soon. Likewise, review the roles, work procedure, financial efficiency and

managerial capability of the Nepal Industrial Development Corporation and the Agriculture Development Bank will be initiated.

56. Following three important bills will be submitted to the current session of the Parliament. One will be related to the Nepal Rastra Bank to strengthen its capacity to inspect and supervise the commercial banks. Another one will be the Bill concerning the deposit collection entities by integrating the provision under the current Commercial Bank Act, Financial Company Act and Development Bank Act while the third one will be related to the timely amendment of the foreign exchange laws.
57. In addition, a Bill for bad debt recovery will be submitted to this session of the Parliament to enable the banking sector recover its bad debts effectively.
58. The Commercial Bank Manual on capital fund, credit classification, reserves, single loan exposure limits, auditing and financial statements will be made operational in the current FY. This provision is expected to help develop a financial system that is resilient, competitive and sustainable.
59. Policies regarding the ceiling of capital applicable to the establishment of new commercial bank, development bank and financial institutions as well as to those currently operating will be formulated and brought into effect by mid August, 2001.
60. Foreign investors of the currently operating joint venture commercial banks will be granted permission to increase their shares from 50 percent to up to two-third of total shares.
61. Programs related to the real estate companies, credit rating agency and the development of international financial transaction center, announced in the previous years but not implemented will be initiated in the coming FY.

Capital Market Development

62. A Bill will be submitted in the present session of the Parliament to make necessary changes in the existing Security Board Act with an objective to enhance its monitoring capacity and to make the security transaction effective. Likewise, Nepal Auditing Standard will be formulated and implemented in order to make the professional auditing system and practices consistent with the standard of international practices.

63. Preliminary works on organizational structure, ownership and operational modalities of the Nepal Stock Exchange Limited will be carried out to make its activities further transparent and consistent with the international standard. The companies registered with Nepal Stock Exchange Limited found as defaulters in making the audited financial statements public for two consecutive years after the close of the FY in point will be penalized by cancellation of registration and by subjecting to further legal actions.

Public Expenditure Management

Right Honorable Speaker,

64. The recommendations of the Public Expenditure Review Commission will be carried out gradually. In such a course a few central, regional and district level offices have been abolished, while others have been removed, merged and restructured. Handing over of some services to the local bodies will be started during the next FY.
65. Instead of scattering resources, to a large number of projects, projects to be carried out in the next FY will be brought down to the desirable number in order to divert more resources towards such projects yielding quick returns by dropping unnecessary projects while merging others.
66. Several unnecessary and ineffective Committees, Councils, Commissions and Centers, set up under several Acts including Development Committee Act will be dissolved or managed after restructuring.
67. The unfunded nature of the present pension system often appears under-budgeted on the one hand and continue to stock the future liability of the government on other. As the present practice goes, it makes the projection of government expenditure exercise futile. So, starting from the coming FY, a portion of the remuneration of the new entrants in the permanent posts under all types of public services, including army, police as well as professors, teachers and personnel of the public teaching institutions will be deducted and government will add an equal amount for deposit in a pension to be setup. A separate guidelines will be issued for the purpose of pension and provident fund applicable to such personnel. Responsibility for operation of this fund will be given to the Citizen Investment Trust.
68. Civil service reform measures will be continued. Services required by the Government will be procured under the contractual arrangement applied by the Government from the private sector to the extent they are available at the

required level of efficiency and at lesser cost keeping always in mind that such procurement will not add to the long term liability of the Government. Such services will included cleaning of office premises, gardening, delivery of mails, office security as well as repair and maintenance of office equipment and machinery. Such service related post will be abolished as and when the incumbent personnel retire.

69. Beginning from the coming FY, the minimum service period for volunteer retirement of those serving in Royal Nepal Army, Nepal Janapad Police and Arms Police will be fixed at 20 years and the minimum age-bar at 45 years. Relevant acts and regulations will be amended accordingly.
70. Availability of required level of resources and materials to the high priority listed projects has been assured through multi-year budget allocation based on the projected costs and implementation schedule. In the context of starting the multi-year budget system, expenditure ceilings and target of major sectors of the economy will be prepared for three years beginning from the coming FY. The concerned line agencies will prepare their programs accordingly. In the case of those projects, which are currently being implemented on the basis of annual contractual arrangement but can be completed in three year period, necessary arrangement will be made for a single contract covering three year with the approval of National Planning Commission.

Resource Mobilization

71. Revenue administration will be made up-to-date, dynamic and effective by covering all sorts of economic activities for income earning under the income tax net. On the basis of the experience on Value-added Tax, shortcomings in its operation will be eliminated, and it will be developed as a mainstay of internal revenue. Accordingly, Department of Value-added Tax and Department of Taxation has been merged and the Department of Inland Revenue has been set up. Revenue Administration related Acts, regulations, organizational structure and posts will be reviewed and improved.
72. The rate of return on HMG's investment is very low, requiring improvement. The existence of various rates of fees, charges and royalty will be reviewed and updated.
73. Foreign resources will be mobilized in the areas, that yield maximum economic and social returns.

Reform of Public Enterprise

74. To reform managerial, accounting and financial systems of the public enterprises, separate strategic and organizational planning will be prepared so that they can run at healthy conditions. Public enterprises will be converted to companies, the number of their board representatives will be curtailed, functions and duties of board members and manager will be ascertained and professionalism will be reinstated.
75. The tendency of increasing short-term benefits by neglecting social security in public enterprises and development boards will be discouraged. Such enterprise which has the provision of pension and gratitude will have to make annul provision of setting aside Pension fund and Gratitude. The money will be managed compulsorily through Citizen Investment Trust.
76. Public enterprises and development boards will be strictly prohibited from creating long-term liabilities beyond their financial capacity. Creation of financial liabilities such as, salary, allowances, fringe benefits etc. will be suspended. Executive chief of the enterprise will have to assume responsibility for creating new financial liabilities. The executive chief and high level account officers of the public enterprises who had not have the final audit for the last two years will be penalized if the audit will not be accomplished by mid-April 2002.
77. Private sector investment will be encouraged in those public enterprises where the involvement of government is unnecessary and the possibility of attracting private sector is high.

Social Sector Development, Poverty Alleviation and Employment Promotion

Right Honorable Speaker,

78. Investment will be increased by 27.24 percent in primary education, health, drinking water and sanitation sectors to increase the access of people to basic social service. In addition, necessary amendments will be made in operational manuals to increase allocation of funds for human development by Village Development Committees as well as from Member of Parliament Development Fund.
79. Existing Grameen Vikas Bank, Bishweshwor with the Poor Jagriti, Mahila Aaya Arjan programs, which targeted to the poverty alleviation will be integrated and implemented under the umbrella of Poverty Alleviation Fund

and their monitoring and evaluation will be done through the same Fund. In order to avoid duplication, one targeted program will be implemented in one location at a time.

80. The programs of Bishweshwor with the Poor and Jagriti Mahila Aaya Arjan will be annually approved by Poverty Alleviation Fund and implemented through government mechanism, so that administrative cost will be reduced. Jagriti Mahila Aaya Arjan programs will be implemented at district level through District Women Development Office, while Bishweshwor with the Poor programs will be brought under institutional mechanism accordingly. Poverty Alleviation Fund will be established as autonomous body under the separate law. Until such arrangements have been made, management of Poverty Alleviation Fund will be made under the chairmanship of the Vice-Chairman of the National Planning Commission. Within the coming 5 years, programs under Poverty Alleviation Fund will be expanded to all Village Development Committees.
81. Social empowerment will be adopted as a vehicle for the effective Poverty Alleviation Program. Arrangements will be made to enhance the capacity the deprived people and ensure their participation in income generation programs. The Government has reduced the rate of interest by two percent for the loan to be provided to the target groups through the rural micro credit program. During the project period, the Rural Micro Credit Development Center will channelize loan amounting to almost Rs1,500.0 million through non-governmental organizations (NGOs) and financial intermediaries.
82. In view of extending effective door to door service delivery by the Grameen Vikas Banks to the targeted people, reforms will be introduced in the institutional and capital structures of the Banks in order to preserve the credibility of such Banks. For this, arrangements will be made for an additional investment of Rs100.0 million through Poverty Alleviation Fund. The policy of transferring ownership of the Grameen Vikas Bank will be adopted to make the stakeholders self-reliant within a fixed period.
83. Fund have been increased from Rs20.0 million to Rs40.0 million of Gramin Swabalamban Kosh, which is established to provide self-employment and additional income generation opportunity programs to the deprived people.
84. Small farmer cooperatives have been run successfully by small farmers themselves under their self-ownership. Thus, in coming FY additional 25 such institutions will be established. Technical assistance will be provided to them

to enhance capability of the small farmer cooperatives. It will help extend micro-credit and saving services to additional small farmer households.

85. In order to develop alternative energy sources in rural areas, various measures will be taken in the coming FY. In this regard, a total of 24,500 plants will be installed in 65 districts, a total of 500 MW worth of micro hydroelectricity will be generated in 34 districts. In addition, solar energy will be generated and distributed in 49 districts through 6,000 P. V. home system. It is estimated that a total of 35,500 households will be benefited from these schemes.
86. Pilot Craft Villages will be established in some districts in the coming FY with the participation of local bodies and private sector to promote the products that are known for their geographical distinction in terms of local raw materials and skill and to establish their linkage with the market. I believe that appropriate technology, capital and market will help promote these kinds of products.
87. Arrangements will be made to allocate some amount out of the earnings derived from tourist service in remote areas for infrastructure development in those areas. This program will be initiated in Upper Mustang area from the coming FY in association with Annapurna Area Conservation Project.
88. The amount for extending credit facility to the blinds and other disabled people to make them self dependent and competent through the generation of self employment opportunities will be doubled in the coming FY and it will amount to Rs40,000.
89. In order to make *Dalits*, downtrodden and neglected people lead decent life through the creation of income earning activities, traditional technology and skills used by them will be updated. For this, they will be provided special training through the Department of Cottage and Small Industries under the Poverty Alleviation Fund. They will also be extended loan facility without collateral.
90. In the process of rehabilitating former Kamaiyas (bonded labor), various programs such as food for work, skill training, education, health and sanitation programs will be implemented. Concessional credit facility will be provided to the bonded labors for low - cost housing.
91. A regular monitoring system will be developed in order to identify poors, update poverty related information and data base and to do mapping works. For this purpose, arrangement has been made to establish a separate unit at the

National Planning Commission. This unit will produce periodic report on poverty.

92. Necessary arrangement will be made to provide self-employment opportunity to under-employed and unemployed labor force by providing skill trainings. Employment oriented skill trainings and technical education will be provided in the field of cottage industry, small business, sewing and carpentry. I am confident that the training opportunity provided by the private sector in various fields will also help to provide employment to the labor force.
93. Over the years, foreign employment has emerged as an important source for youth employment. Arrangements will be made to provide a credit facility to those who want to go abroad for employment against collateral or on guarantee of the employment agencies through the financial institutions.

Decentralization

94. A "Decentralization Implementation Plan" will be prepared and implemented with a view to make local bodies more accountable through strengthening these institutions. Necessary study will be carried out to review the existing organization, number and structure of local institutions.
95. District Technical Office will be established in each district under the coordination of Local Development Officer to maintain the quality of construction work and cope with the problem of lack of technical manpower faced by the local users groups. This provision is also expected to further strengthen technically and make the local technical offices more resourceful. This provision will provide integrated technical services to local level projects like, drinking water, irrigation, rural roads, suspension bridges, buildings and rural energy generation projects in a simple and effective way. In addition to it, the concerned ministries will establish division offices as per the need in order to carry out central level projects of roads, irrigation, drinking water and housing in the districts.
96. Local institutions will be made more resourceful, responsible and accountable by gradually implementing the recommendations of the Local Bodies Finance Commission, 2000. To make the local bodies self reliant in resources mobilization in course of time, authority so far vested in there, such as, revenue collection, affectivity of execution of responsibilities and their applications will be reviewed. Arrangement will be made to provide cash grants to the Village Development Committees (VDCs), directly through Treasury and Account Controller Office, at the recommendations of Local

Development Officer, on the basis of formally approved programs. Unutilized grant money will be frozen at the end of the FY.

97. Short comings observed in meeting the accountability and the audit requirements in respect of grants and other financial resources of the local bodies and to ensure transparency, a permanent mechanism for audit will be developed for this, an action plan on internal and final audit will be prepared in consultation with Auditor General's Office.
98. In accordance with the concept of "Gaun Ko Adhikar Gaun Layee" (Return the rights of the villages to them), local bodies will be enabled to manage directly such basic services as primary education, primary health, postal services, agriculture extension and animal health by handing over progress gradually. A lump sum cash grant will be provided for the implementation of the services as handed over. Implementation and monitoring responsibility of these programs shall be entrusted to the local bodies. District based offices will be made responsible for supervising and monitoring the effectiveness and quality of services delivered by the local bodies.
99. Arrangements will be made for the appointment of teachers in school transferred to the local level management in accordance with the norms set by the National Education Service Commission. A separate guideline will be prepared and prescribed.

Good Governance and Administrative Reform

100. Legislation related to the Commission for the Investigation of Abuse of Authority will be amended in order to prevent illicit financial transactions and to control corruption and thereby to guarantee good governance to the people. Priority will be accorded to make the Human Rights Commission effective and to prepare action plan on human rights.
101. Civil service will be made objective and result oriented. Civil service will also be made responsible and accountable for policy formulation and program implementation. Good performer civil servants will be rewarded and those irresponsible, poor performers and the responsibility dodgers will be punished.
102. Voluntary Retirement Scheme initiated this FY will be continued to the extent financial resources can sustain. In a bid to right sizing of the civil service, recruitment in vacant positions will be freezed except the process for fulfilling

the vacant positions has been already initiated. Frozen posts will be reviewed and those not needed, will be cancelled.

103. Initiative will be taken for the establishment of a National Judicial Academy in the coming FY with a view to upgrade the professional capability of the personnel engaged in judiciary and semi-judiciary agencies by imparting appropriate training on a regular basis.
104. Comprehensive improvements will be made in the existing Financial Administration Rules within the next FY in a bid to control anomalies and leakages caused by lacunas and shortcomings in the Rules. Any procurement or construction up to Rs100,000 shall be made directly without sealed quotation or tender. Other provisions in this regard include, subjecting any procurement or construction exceeding Rs1.0 million to compulsory sealed tender, finalizing all matters related to procurement or construction at the level of departmental heads, introducing multi-year tendering in the case of core projects and limiting variation order to 15 percent.
105. In order to discourage construction of physical infrastructure of inferior quality, provisions will be made for independent audit of physical quality of projects from the design phase up to their service delivery phase. The body to perform such audit will be placed under the National Planning Commission and it will audit some projects of public concern and the ones muddled in disputes due to complains every year. Necessary reforms will be made in the existing laws so that any technical personnel or construction enterprises could be black listed or prohibited to participate in such undertaking for the whole life span.
106. Reforms measure will be introduced in the implementation procedures of development projects and programs. For the timely completion of projects based on annual appropriation, all the administrative procedures related to tender will have to be completed during the first four months and construction will have to be initiated from the beginning of the next four months subject to completion within mid-June from the next FY. If construction work of any projects could not be commenced during the first eight months of FY, a policy will be pursued to freeze the allocated amount of such projects and remove their names from the list of projects to be implemented.
107. Strong regulatory norms will be developed applicable to private schools, nursing homes and hospitals. Likewise effective monitoring mechanism will be adopted to examine the quality of service and appropriateness of service charges based on physical facility and amount of services offered.

Integrated Internal Security and Development Program

Right Honorable Speaker,

108. Due to violent activities being carried out in the name of so-called Maoist people's war in some parts of the country, the security situation in these parts has become complex and sensitive. I have made arrangements for integrated plan of security and development in the areas thus affected, with a view to guarantee the peace and security and to further development activities by removing hurdles created in the way of unhindered exercise of constitutional and legal rights. The projects being implemented under the integrated basket funding during the current FY will be adjusted and implemented under the integrated security and development program provided that it is implemented in the districts in question.

Expenditure Proposals

Right Honorable Speaker,

109. Now, I would like to submit the estimates of expenditure for the FY 2001/02.
110. Total expenditure for the next FY 2001/02 is estimated at Rs99,792.219 million is estimated to be spent in the next FY. Out of this, I have allocated a sum of Rs 49,321.941 million for the regular expenditure and Rs50,470.278 million for the development expenditure. The allocation as a whole is higher by 19.9 percent as compared to the revised estimates of the current FY. As for regular and development expenditures it is higher by 13.5 percent and 26.9 percent, respectively. When compared to the preliminary estimates of the current FY, total expenditure is higher by 8.9 percent only.

Regular Expenditure

111. Of major allocation for regular expenditure, Rs14,114.0 million is set aside for external and domestic debt servicing, Rs10,428.8 million for education, Rs 5,794.6 million for police (including both civil and armed), Rs4,521.2 million for defense and Rs 2,228.0 million for health.
112. To improve the current situation of peace and security, Nepal Police, Royal Nepal Army and other agencies related with peace and security will be linked up with the development programs and mobilized in an integrated way. I have allocated fund for this purpose.

113. This august session is aware of the fact that local bodies are the foundation of the multiparty parliamentary democratic system. I have allocated Rs 311.3 million for the election of local bodies to be held next year.
114. In order to deliver allowances being provided to the elderly citizens, destitute, widows, blind and disabled smoothly through local bodies, provisions of lump sum grant to local bodies has been made. A total of Rs 580.0 million has been allocated which is an increase of 9.4 percent compared to the previous FY.
115. I have allocated Rs 708.2 million for distribution of voter's identity card in 40 districts.

Development Expenditure

Right Honorable Speaker,

116. Of the total allocation, development expenditure accounts for 50.6 percent. Of this, 37.2 percent has been allocated for social services, 60.0 percent for economic services and 2.8 percent for constitutional bodies, general administration and others.
117. The amount allocated for social services is higher by 33.8 percent as compared to the revised estimate of the current FY. The amount allocated is higher by 18.8 percent for education, 45.1 percent for health, 34.4 percent for drinking water and 33.1 percent for local development. Likewise, as for economic services, the allocated amount is an increase by 27.9 percent compared to the revised estimates of the current FY. Of this, it is higher by 12.8 percent for transport, by 17.4 percent for electricity and by 28.8 percent for agriculture, irrigation, land reform and survey, and forestry put together.
118. I have provisioned Rs 90.6 million for the Karnali Zone Special Agriculture Development Program. Similarly, I have allocated Rs 91.0 million for 21 districts without access or having partial access to transport facility where special agricultural production program is lunched and also to ensure timely delivery of improved seeds.
119. I have allocated Rs 148.7 million to provide continuity to commercial goat farming and sheep substitution being carried out in 22 districts along with special program for commercial poultry farming in 9 districts of for Western Region. To implement sericulture in ten districts, a sum of Rs 51.7 million has been allocated.

120. For the market development of agriculture products being supplied in the Kathmandu Valley in general and for developing systematic markets in northern, eastern and southern entry points of Kathmandu in particular, a total of Rs 101.2 million has been allocated. In addition, necessary amount has been allocated for the development of agriculture market in appropriate rural areas.
121. For small irrigation special program, I have allocated Rs 70.0 million. In order to extend additional irrigation facility through Agriculture Development Project, Janakpur I have provisioned Rs 65.5 million.
122. I have allocated Rs 21.0 million to be channeled through National Dairy Development Board in order to develop milk processing factory in Kohalpur and to install milk processing centers in five feasible locations.
123. I have provisioned a total of Rs 3,870.5 million for agriculture sector which is higher by 47.0 percent compared to the revised expenditure estimates of the current FY.
124. A total of Rs 1,520.5 million has been allocated for Second Irrigation Sector Program being carried out in 35 districts of Eastern and Central Development Regions, for Nepal Irrigation Sector Program being carried out in 40 districts of Central and Mid-Western Development Regions and for Irrigation Development Program being implemented in four districts (Banke, Surkhet, Dailekh and Kalikot) of Mid-Western Development Region. Similarly, a sum of Rs 754.8 million and Rs 516.8 million has been allocated for Surnsary-Morang Irrigation Project (Third) and Bagmati Irrigation Project, respectively.
125. To install shallow and deep tube well, in addition to the surface irrigation, as per the demand of farmer in the Terai region (based on feasibility), a total of Rs 170.6 million has been allocated. Likewise, Rs 201.5 million has been allocated for Praganna Irrigation Project in Dang District. For river training and, repair and maintenance of completed projects Rs 361.4 million and Rs 230.0 million has been set aside, respectively.
126. Similarly, I have also allocated funds for Sorha-Chhattis Mauja Canal, Duduwa Irrigation Project, Kankai Irrigation Project, Mallaj Irrigation Project and Chadubandh Irrigation Project.
127. Total allocation made for Irrigation Sector is Rs 4897.2 million which is 20.4 percent more than the revised expenditure estimate for the previous year.

128. A total of Rs 258.0 million has been allocated for forestry management work plan, forest protection and tree improvement program, as well as the programs which help control poverty in rural areas such as community forestry, leasehold forestry and livelihood forestry programs.
129. I have set aside necessary funds for study, research and development of medicinal herbs and plants under threat. Under this, plants of these herbs will be grown and distributed through tissue culture and technology will be developed for commercial farming of such medicinal herbs. I have also allocated funds for the establishment of Herbs Development Center.
130. I have allocated a total amount of Rs 780.2 million for the forest sector.
131. The program of treating of hazardous effluent emitted from industries, including those in Hetauda Industrial District, and make it environment friendly will be continued. I have made provision of Rs 401.0 million for this purpose.
132. I have allocated funds needed for entrepreneurship development through training and skill enhancement as well as for the programs of creating self-employment opportunities.
133. I have allocated Rs 60.0 million for infrastructure development for the establishment of export processing zones in the dry ports of Birgunj and Biratnagar and Bhairahawa.
134. The total amount set aside for industry, commerce and supplies sector is Rs1266.6 million.
135. A sum of Rs 169.3 million has been proposed for the installation of 90,856 telephone lines in 50 different places of five development regions. In addition, exchanges with the capacity of 150 lines each will be established in the following areas. Phikkal, Surunga, Karsiya, Hile, Hanuman Nagar, Lukla, Golbazar, and Chainpur of Eastern Development Region, Matihani, Jiri, Pokhriya, Chandranigahapur, Rajpur, Pharhadawa and Geetanagar of Central Development Region, Pumdi Bhumdi, Galyang Bazar, Chanauta, Aruna Khola, and Majhuwa of Western Development Region, Khajura, Taratal and Narayanpur of Mid-Western Development Region and Bramhadev Mandi of Far-Western Development Region.

136. Rs 70.9 million has been appropriated to install at least two telephone lines in each 534 Village Development Committees of Eastern Development Region within coming two years under the Telecommunication Sector Reform Project
137. In the coming FY, 7 transmission centers will be set up in Parbat, Gulmi Sankhuwasabha, Doti, Achham, Dadeldhura, and Baitadi in order to expand the coverage of Nepal Television all over the country. I have allocated Rs 40.0 million for this purpose.
138. To transmit the radio program to remote parts of the country, I have made provision of Rs 36.0 million for opening up of new FM Stations and erection of additional studio building. In addition to this, I have allocated necessary funds for construction of the Press Council building in the Communication Village and Media Development Trust.
139. Rs 453.2 million has been allocated for the communication sector.
140. Besides the existing transport network of Mahendra Highway, the government is endeavoring to develop two alternative highways linking east and west. Under this endeavor, highway will be expanded to link mid-hill districts along with developing postal highways into a major highway. The alignment of such highways will be based on the existing roads under construction and planned east west roads and the south to the north highways. For this, feasibility studies and design estimates will be initiated.
141. According to the policy of building roads connecting the district headquarters, construction of link roads to the district headquarters of Bajhang, Achham, Rukum, Kalikot, and Jajarkot will be completed in the next FY. I have allocated necessary funds for this purpose.
142. I have allocated a total amount of Rs 471.1 for the construction of Mahakali Highway (Satabanjh-Baitadi- Darchula Sector), Jaya Prithivi Bahadur Singh Road (Khodpe- Bajhang), Sanfebagar-Martadi Road, Sanfebagar-Mangalsen Road, Tanakpur Link Road, Dasaratha Chanda Road (Baitadi- Jhulaghat), Sahajpur-Dipayal, Ugratara- Meloili and Mahendranagar- Budhar in the Far Western Development Region.
143. I have allocated a total amount of a total of Rs 659.5 million for the construction of the Karnali Highway (Surkhet-Jumla Section), Karnali-Manma Highway, Chhinchu-Jajarkot Highway, Rapti Highway, Holeri-Chunwang, Devsthal-Kaindadaa-Chaurjahari-Dolpa, Surkhet- Ranimatta-

Dailekh,, Amelia-Tulsipur-Salyan and Chakachake-Libang in the Mid Western Development Region.

144. I have allocated Rs 347.5 million for the Western Development Region for the construction of Rudrabeni-Burtibang-Dhorpatan Road, Baglung-Burtibang-Musikot Road, Baglung-Beni- Jomsom road, Beshisahar-Chame Section, Drabyashah Road, Harthok-Ridi-Tamghas Road and upgrading up the improve the Gorusinghe-Sandhikharka Road.
145. Similarly, I have made provision of Rs 989.1 million for the construction of B. P. Koirala Highway (Banepa–Sindhuli Section), Kalu Pande Road, Trishuli-Rasuwegadhi-Syaphrubeshi Road, Galchhi-Debighat Section, Kanti Highway, maintenance of Tribhuvan Highway, Puspahal Road, Namobuddha-Lubhu Road and repair and maintenance of the Kodari Highway and upgrading of the Barbise-Kodari section in the Central Development Region.
146. For the construction of the Mechi Highway (Phidim-Taplejung section), Sagarmatha Highway (Gaighat-Diktel section), Katari-Okhaldhunga (including bridges), Naradmuni Thulung Road (Hile-Leguaghat-Bhojpur) and Basantapur-Chainpur-Khadbari Road, I have allocated a total amount of Rs 285.0 million for the Eastern Development Region.
147. I have allocated Rs 70.0 million for upgrading and extension of inner city roads in Kathmandu. Under this program, the road from east side of Ratna Park to Bhadrakali will be extended to 5 lane, an alternative road from Bhadrakali to Maitighar will be constructed, and fencing of *Tundikhel* will be carried out. Similarly, I have allocated Rs 20.0 million for the construction of Bishnumati link road as a part of the inner ring road within Kathmandu valley.
148. I have provisioned Rs 490.0 million for repair and maintenance roads. A Road Improvement Fund Act will be enacted to establish a Road Fund for maintaining sustainability of the road infrastructure and for ensuring availability of sufficient fund for repairs and maintenance of roads in future.
149. A total of Rs 956.5 million for the construction of large bridges, suspension and other small bridges has been earmarked including a sum of Rs 40.0 million for Rapti bridge (Dang), a sum of Rs 25.0 million for Sunkoshi Bridge (Kavre).
150. I have allocated Rs 100.0 million and Rs 210.0 million for postal roads and other link roads, respectively.

151. I have allocated Rs 471.50 million for capacity expansion and physical improvement of Tribhuvan International Airport.
152. For transportation sector, I have made provision of Rs 6366.7 million inclusive of the projects mentioned above. This is 12.8 percent higher than the last year's revised expenditure estimate.
153. Construction of the Kaligandaki 'A' hydroelectricity project will be completed and the plant will be commissioned in the coming FY. I have allocated Rs 2864.3 million for the final phase of construction of the project. Similarly, I have allocated Rs 2575.8 million for Middle Marsyangdi hydroelectricity project with an installed capacity of 70 MW.
154. I have made provision of Rs 203.3 million for electricity transmission line, Rs 1814.2 million for electrification program including rural electrification, and Rs 95.8 million for survey and feasibility studies.
155. I have proposed a total expenditure of Rs 9299.8 million for electricity sector which is 17.4 percent high than the revised expenditure figure for the previous year.
156. In order to revitalize the tourism sector from the present state of slackness, an intensive tourism promotion drive and basic service development program will be launched. I have allocated Rs 30.0 million on the top of the resources to be made available by Nepal Tourism Board.
157. In order to honor the famous mountaineer late Mr. Babu Chhiri Sherpa who uplifted the image of Nepal and its people at internationally sphere by conquering 10 times the peak of the Mount Everest, I have proposed for a monthly allowance of Rs 10,000 to his widow to educate and upbringing of their daughteRs Accordingly, I have made an allocation for this purpose. Similarly, Mr. Temba Chhiri Sherpa, the youngest mountaineer to scale the Mt. Everest will also be honored appropriately.
158. I have allocated Rs 402.6 million for tourism sector.
159. A sum of Rs 115.0 million has been allocated for the construction of electric crematorium including the physical infrastructure development in Pashupatinath area.

160. The total of Rs 40.0 million has been allocated for the activities including of rehabilitation of Mayadevi Temple under Lumbini Master Plan. Similarly, necessary amount has been allocated for the development of Devghat area.
161. Necessary amount has been allocated for the promotion and development of language, arts, literature, music etc.
162. A total of Rs 366.1 million has been allocated for the youth, sports and culture.
163. A sum of Rs 120.0 million has been allocated for the construction of Information Technology Park in Banepa. The amount has been allocated for the establishment of Venture Capital Fund and to train approximately 20 thousand persons on IT sector at lower, medium and higher-levels in the coming FY.
164. Necessary amount has been arranged for the eradication of child labor and to impart various skill development training to 5,365 persons from Skill Development Training Center, Vocational Training Center, Mobile Training and Women Skill Development Training Center.
165. The amount of Rs 165.2 million has been allocated to the development of labor sector.
166. A sum of Rs 60.9 million has been allocated for the eradication of illiteracy within two years at least in five districts out of twenty districts covered by the National Literacy Campaign Program.
167. Necessary amount has been allocated to conduct technical education and vocational training as a model in fifteen Secondary Schools of the country and to make it employment oriented.
168. The amount of Rs 1,277.0 million has been allocated for the expansion of Basic and Primary Education Program from current 60 districts to 75 districts of the country to make easy enrolment of children in Primary Schools.
169. The provision of scholarship for the children of martyr's from Primary up to higher-level study will be continued.
170. The total amount of Rs 3,503.2 million has been allocated under development expenditure for the education sector, which is an increase by 18.8 percent over the revised estimate of the current FY.

171. Necessary budget has been allocated to establish the Primary Health Center in each of the remaining 25 constituencies in line with the target of establishing such centers in all 205 constituencies of the country by the coming FY. Also there is program to upgrade the Primary Health Centers into 15 beds Hospital in those districts where Integrated Internal Security and Development Programs are under implementation.
172. Necessary amount has been allocated for the expansion of zonal mental hospitals of Koshi, Janakpur and Seti. Adequate funds have been appropriated to add 40 beds, 50 beds, 51 beds and 64 beds in Maternity Hospital, Kanti Children Hospital, Gangalal Heart Center in Kathmandu Valley and B. P. Koirala Cancer Hospital in Bharatpur respectively. A total of Rs 986.7 million has been allocated for hospitals including construction of an emergency ward and Trauma Center in Bir Hospital.
173. Requisite amount has been allocated to extend the maternity ward in the primary health centers in each of the 205 parliamentary constituencies with the objective of reducing the maternal mortality rate.
174. A sum of Rs 3,007.2 million has been allocated as development expenditures for the health sector which is higher by 45.1 percent in comparison of revised expenditure estimate.
175. Rs 551.9 million has been allocated for drinking water scheme and income generating activities to be conducted through Rural Water Supply and Sanitation Fund by raising income of rural women by reducing their time spend on fetching drinking water.
176. Rs 188.6 million has been allocated to provide continuity to survey and construction of small town drinking water projects in small 12 towns as well as Phickal, Trijuga, Prasa, Ratna Nagar, Bandipur, Lekhanath, Birendranagar and Atteria.
177. Rs 893.0 million has been allocated for 1,163 on going projects at district level.
178. Drinking water supply will be augmented within Kathmandu Valley through the improvement in existing drinking water system and rehabilitation program. A total of Rs 300.0 million has been allocated for this purpose.
179. Rs 1,427.0 million has been allocated for the preparation of final design report of Melamchi river diversion, construction of Melamchi Pulbazar-Timure

section of main entrance road, construction of Adit entrance road, final design estimate and construction of water treatment plant under Melamchi Drinking Water Project.

180. Rs 3992.8 million has been allocated as development expenditure under drinking water sector which is 34.4 percent higher in comparison to the revised expenditure estimate of current FY.
181. The block grant to local bodies (including Kathmandu Valley Mapping Project) has been increased to Rs 3056.5 million to institutionalize the local development program. The amount being provided to honorable members of the Parliament has been continued.
182. Rs 500.0 million has been allocated for the construction of rural and agriculture roads and improvement program by integrating programs aimed at providing road access in rural areas.
183. Rs 141.6 million has been allocated to implement Remote Area Development Program in 22 districts and Special Area Development Program in 25 districts by integrating these to programs so as to implement in an efficient and effective manner of the country under single institution.
184. Rs 91.4 million has been allocated to manage solid wastes of the Kathmandu Valley and for the construction of landfill site.
185. Rs 353.0 million has been allocated to conduct the development activities for food shortage in 27 food deficit mountainous districts of mid and far western region under Work for Food Program.
186. Total development expenditure of Rs 6,406.1 million has been allocated in the local development sector which is higher by 33.1 percent in comparison to revised estimated expenditure of current FY.
187. I have allocated Rs 206.3 million for the Poverty Alleviation Fund.
188. I have allocated Rs 261.1 million to women, child and social welfare sector.
189. Necessary amount has been appropriated to the Commission for Investigation of Abuse of Authority, Election Commission, Office of Auditor General, Public Service Commission and other constitutional bodies to enhance their physical facilities and efficiency.

190. Voluntary Retirement Scheme will be continued in next FY for right sizing the bureaucracy and for making civil service efficient and effective. I have made necessary allocations for this.
191. Rs 600.0 million has been allocated for the implementation of development activities under the Integrated Internal Security and Development Program.
192. I have allocated necessary budget for the strengthening of revenue administration.
193. Of the total allocation of Rs 99,792.2 million of the above mentioned regular and development program Rs 56,546.2 million will be met from the existing source of revenues Rs 14,120.8 million will be met from the foreign grants and Rs 16,420.1 million from the foreign loan, leaving a deficit of Rs 12,705.1 million.

Revenue Proposal

Right Honorable Speaker,

194. Now, I would like to present revenue proposals.
195. While proposing the tax proposals for the next FY, I have focussed my attention to the improvements needed for creating investment friendly environment, bringing all economic activities under income tax network and establishment of social justice and development of a flexible and reliable tax structure. Updating revenue related laws, improvement in the existing operational process of VAT on the basis of past experiences and effective measures to control revenue leakages are the other areas of focus.
196. Administrative capabilities will be geared up and additional measures adopted in order to bring more industrialists, traders and entrepreneurs who fall under VAT domain, but are yet to be brought under its fold. In the context of broadening the VAT network, measures to register all the traders dealing with vehicles, motor-bikes, television, air-conditioner, electronic equipment, spare parts of vehicles, computers, color-lab, telephone, cellular phone, tiles, marble slabs, hardware under the VAT regime.
197. A Bill has been submitted to the current session of the Parliament to comprehend all income-earning activities and improve income tax related laws for making the tax system more transparent, simple and hassles free.

Beginning from 16 July 2001, existing district level VAT as well as Tax Offices will be amalgamated into district Inland Revenue Office.

198. I have made a proposal to require all tax paying traders having transactions above Rs 1.0 million to issue bill of sales mandatory with all details of their registration and date of sale to appear on every such bill.
199. As against the existing practice of registering businesses separately with the VAT and Tax Office, I have made an arrangement for such registration in one office either at the place the business headquarter is located or the place concerned business is located.
200. In order to make customs evaluation practice based on transaction price more accurate and realistic and thereby make customs administration effective, arrangement will be made for exchange of inter-customs information, extension of Automated System for Customs Data (ASYCUDA) and periodic monitoring of international transaction prices of imported goods.
201. The central monitoring unit at the Ministry of Finance will be linked with the Information Management Systems of its departments and thus, the monitoring practices will be made more manageable and effective. The Department of Revenue Investigation will be strengthened to make it more active in identifying and curbing revenue leakages. A Bill to establish revenue cadre will also be submitted to the Parliament. The present practice of patrolling major customs points introduced in the current FY will eventually be replaced by such cadre.
202. In order to make commission agency service more transparent and bring it under the tax net, the concerned government agency will require to submit to the Department of Inland Revenue the details of the contracts for the construction, procurement of goods and services, consultancy and local agents for the projects financed with domestic or foreign sources within one month of such contracts. Delinquent local agents, are allowed to submit their income tax returns by 16 October 2001. Fines so far falling due will be waived for those who clear their dues by the specified date. One hundred percent fine will be charged to those defaulters, who do not submit the statement on specified time and their businesses will be suspended.
203. To start honoring the taxpayers, the Department of Inland Revenue will begin issuing identification cards at this time, to the top ten income tax payers as a mark of distinction and to make them eligible for the use of Commercially

Important Persons (CIP) waiting lounge at the Tribhuvan International Airport whenever such persons are travelling by air via this airport.

204. I have made arrangement for local and foreign non-government organizations to compulsorily deduct tax on house-rent, tax on remuneration and other taxable income at source, and get Tax Clearance Certificate after depositing them in the respective tax office. I have also made arrangements under which transactions of those organizations who do not get such certificate will be suspended, their imports prohibited, extension of agreements with such organizations will not be entertained and their registration will be cancelled..
205. Now, I will present proposals on indirect taxes.
206. Customs duties have been slightly changed in line with Nepal's effort to acquire membership in the World Trade Organization, for providing minimum protection for rehabilitation of sick industries and also to adjust Harmonized System, with 2002 version of the World Customs Organization.
207. The ASYCUDA system applied in Bhairahawa, Birjung, Biratnagar and Tribhuvan International Airport customs offices has made customs evaluation and checking system easier, transparent and effective. In view of this, this system will be enforced in other customs points as well.
208. For providing effective protection to industries of milk and milk products, mustard oil, cement and textiles, I have raised tariff on imports of such products.
209. A 50 percent rebate on tariff has been provided on cotton yarn imported by textile industries. If textile product of such industries is procured by apparel industries and their output (in the form of readymade garments) exported, facilities of bonded warehouse will be provided to the cotton yarn so imported.
210. One percent customs duty will be levied on the importation of machinery and spare parts for rehabilitation of sick industries at the recommendation of the Sick Industries Recommendation Committee.
211. Tariff concession is provided on capital goods imported by the film producers, by companies dealing with hydropower generation, transmission and distribution, poultry business, tea industry, horticulture and floriculture industries.

212. In order to promote export of *Pasmina*, I have made arrangement for 80 percent tariff rebate on raw wool imported by *Pasmina* industry.
213. I have raised tariff on import of video parts, video camera, wristwatch, spectacles, marble, granites, album and posters
214. I have raised export tariff applicable to processed oil, vegetable ghee, plastic products and copper wire.
215. It is estimated that an additional revenue of Rs 200.7 million will be mobilized as a result of the proposed changes in tariff rates and strengthening of administration after adjusting recently provisioned duty refund.
216. Inland Revenue Department will return a certain percentage of paid tax amount to the buyer to encourage to seek invoice from the VAT registered seller, the purchase of VAT related goods and service of more than Rs 25,000.00 for commercial purpose should be executed only with VAT registered tax payers and the invoices should be taken and kept themselves in the route.
217. I have made the arrangement that Internal Revenue Office can buy the goods itself or make it buy to other in case of under invoicing. Rs 2,000.00 or cent-percent of evaded tax amount, whichever is higher, would be fined in such case. Government offices will have to buy from the VAT registered seller in case of goods and services costing more than Rs 25,000.00 at a time.
218. I have made the arrangement for those taxpayers who have not submitted tax return and have not paid tax amount up to FY 1999/00 and who will submit the tax return, pay tax, additional charge and interest amount by Dec. 10, 2001, will be waived additional charges, interest and late penalties. I have reduced the rate of additional charges of 10 percent in VAT act to 5 percent.
219. The due date of paying the amount of VAT collected by hotels and travel agencies have been increased from one month to two months.
220. The excise duties have been increased in health hazard commodities like cigarette, beer, wine and alcohol. Likewise, the provision of warning words as 'Injurious to Health' has been made mandatory to appear in the packets of tobacco and related commodities.
221. Production of plastic bags of less than 20 microns will not be allowed considering its negative impact on environment.

222. Excise duty of Rs 5.0 per sack has been levied on locally produced as well as imported cement to make some contributions in internal revenue from the construction sector.
223. An additional revenue of Rs 1,334.40 is estimated to be mobilized from the changes in the tax rates of VAT, excise and vehicle tax as well as changes in the tax base and administrative reforms.

Right Honorable Speaker,

224. Now I want to propose the direct tax related proposal.
225. I have made the arrangement that the importers not registered with income or VAT, have to pay advance income tax at the rate of 2.5 percent of customs price of such imports as an advance income tax at the customs point. Exporters of basic agriculture products also have to pay 2.5 percent advance income tax at customs point.
226. I have made a proposal of imposing 10 percent Capital Gain Tax on the sale of Securities and Shares on the basis of initial price of 1st day of FY 2001/02. The Nepal Stock Exchange Limited will collect this tax at source during the transaction.
227. Temporary-residents involved in satellite business are required to pay 5 percent advance tax instead of existing 15 percent.
228. An amount of Rs 10,000 or 0.5 percent of taxable income, whichever is higher, will be charged as a penalty to the taxpayers who have not submitted tax return as prescribed by Income Tax Act, 2031. Mandatory provisions have been made to maintain books and accounts for professionals viz. doctor, engineer, advocate, consultant, auditor and so on. Those professionals have to have their accounts audited compulsorily, if their annual transactions exceed Rs 1.0 million.
229. If the taxpayers who have filed appeal on tax assessment, pay 75 percent of disputed tax and penalty and withdraw appeal within March 13, 2002, remaining or 25 percent tax, penalty or fee will be rebated.
230. Tax defaulters, who are liable to pay income tax in accordance with the Income Tax Act, 2031, shall be given amnesty and no inquiry will be made on their source of income and property earned before mid July 2000, provided they declare the self assessment value of their property at the price of July 16,

2001 and pay 10 percent tax. Non compliant tax defaulters are subject to detailed investigation any time and confiscation of such property.

231. Registration fee to be levied on property transfer during family partition is exempted up to the value of Rs 50,000, and beyond this amount progressive rate of registration fee has been proposed.
232. Additional revenue of Rs 440.0 million is estimated to be mobilized from the proposed changes in direct taxes and administrative reforms.
233. I have proposed a special fee of one percent of import value at the customs point and one percent Special Tax on actual income of tax payers accordingly in order to meet the increasing need of additional expenditure for providing internal security and for the security of industry and commerce to be provided by the government. No such special fee shall be levied on that have tariff rates of less than 5 percent. I hope all will take it as a temporary ad hoc measure.
234. I have made an arrangement to waive the Telecommunication Service Charge in order to encourage paging service.
235. Additional revenue of Rs 1,730.0 million is estimated to be collected from the proposed changes of non- tax revenue and its reforms.
236. The other rates of taxes have been kept unchanged except changes made on the rates of direct and indirect taxes through this budget. The proposed changes made in the customs tariffs, export service fee, agriculture reform fee, excise duties, levies on tobacco and liquors, liquor control service fee, special fee and house and land registration fee, services fee, transaction suspension fees will be made effective from today and other revenue related proposals will come into effect from July 16, 2001.
237. Apart from the revenues to be realized from the existing sources, there will be an additional revenue mobilization of Rs 3705.1 million from the changes in the rates of tax and non-tax revenues and administrative reform. The net deficit will stand at Rs 9,000.0 million.
238. The deficit of Rs 9,000.0 million, which I mentioned above on the basis of expenditure estimation, is proposed to be met through internal borrowings.

Right Honorable Speaker,

239. Towards the end of my presentation, I must reiterate that a consensus of all the political parties has become all the more significant to enable people at

large participate in the monumental task of economic restructuring in an environment of peace and free from all kinds of fears. Participation of the people is a condition precedent, be it a task of rural infrastructure building or that of poverty alleviation. I therefore do solicit active support of all concerned for the policies and programmes enunciated under this budget.

240. For the economic restructuring to take its root, unflinching and time enduring efforts are needed. In this context, I see it clearly that the private sector should take a pivotal role in such task for which an enabling environment is necessary. This is the approach underlying the agenda of policy and institutional changes I have purposed. I believe that progress of economic reforms will works for a healthy and reliable economic structure to emerge. I expect that the economy will grow at 6 percent during the next year. With the money supply limited to 12 percent, inflation rate is expected to be in the range of 5 percent. The additional effort to mobilize revenue resources is estimated to result in a ratio of revenue to GDP at 13.26 percent.
241. Actual income and expenditure for FY 1999/00, revised estimates of income and expenditure for FY 2000/01 and estimates of income and expenditure for the FY 2001/02 are presented in the Annexes.
242. A brief description of technical assistance made available to His Majesty's Government by friendly countries and donor agencies as well as International Non-Governmental Organizations has been presented separately.
243. I would like to express my gratitude to Honorable members of parliament, distinguished representatives of various organizations, such as, industries, commerce and tourism, intellectuals, teachers, professors, civil servants and representatives of civil society for their support in preparing this budget. At this moment, I would also like to extend thanks on behalf of His Majesty's Government of Nepal, to friendly countries, donor agencies and their representatives for their continued support in the socio-economic development of Nepal.

Right Honorable Speaker,

244. Notwithstanding the fact that we were all prepared for the budget presentation to the parliament in the month of May as was done for the first time last year, the successive events that intervened during the month did not allow us to keep that time table. I would, however like to assure this session of the Parliament that we will restore that practice of budget presentation next year.
245. Finally, I earnestly hope for active support from all for the successful implementation of the budget for FY 2001.

-Jaya Nepal

Government Budget: Summary of Income and Expenditure

Annex-1

(Rs. In '000)

Head	2056/57 Actual Expenditure	2057/58 Revised Estimate	2058/59 Budget
Total Expenditure	66,272,461	83,224,807	99,792,219
Regular	34,523,278	43,460,936	49,321,941
Development	31,749,183	39,763,871	50,470,278
Source of Financing	48,605,451	59,283,974	74,372,115
Revenue	42,893,780	49,606,802	60,251,320
Existing Sources	42,893,780	49,606,802	56,546,220
New Proposal	-	-	3,705,100
Foreign Grant	5,711,671	9,677,172	14,120,795
Bilateral Grant	4,171,177	7,820,938	11,838,130
Multilateral Grant	1,540,494	1,856,234	2,282,665
Surplus (-) Deficit (+)	-17,667,010	-23,940,833	-25,420,104
Source of Deficit Financing			
Foreign Loans	11,812,247	15,941,063	16,420,104
Bilateral Loan	757,891	1,001,634	2,684,878
Multilateral Loan	11,054,356	14,939,429	13,735,226
Domestic Borrowings	5,500,000	7,000,000	9,000,000
Banking Sector	3,300,000	-	9,000,000
Non-Banking Sector	2,200,000	7,000,000	0
Cash Balance (-Surplus)	354,763	999,770	0

Estimates Of Government Revenue
Fiscal Year 2058/59

Annex-2
(Rs. in '000)

Code No.	Head	Existing Sources	New Proposal	Total
1.1.01.00	Commodity Tax based on Foreign Trade	14,229,300	200,700	14,430,000
1.1.01.10	Import Duties	11,772,000	175,700	11,947,700
1.1.01.20	Equalizing Duties	86,300	0	86,300
1.1.01.30	Indian Excise Duties	1,780,000	0	1,780,000
1.1.01.40	Export Duties	276,000	25,000	301,000
1.1.01.50	Export Service Charge	300,000	0	300,000
1.1.01.60	Others	15,000	0	15,000
1.1.02.00	Internal Commodity Tax on Goods and Services	18,965,600	1,334,400	20,300,000
1.1.02.10	Sales Tax / Value Added Tax	14,053,100	696,900	14,750,000
1.1.02.11	Production	1,860,000	350,000	2,210,000
1.1.02.12	Imports	8,950,000	50,000	9,000,000
1.1.02.13	Sales and Distribution	1,093,100	250,000	1,343,100
1.1.02.14	Services	2,150,000	46,900	2,196,900
1.1.02.20	Excise Duties	4,312,450	567,500	4,879,950
1.1.02.21	Cigarettes	2,083,800	207,000	2,290,800
1.1.02.22	Bidi	4,500	500	5,000
1.1.02.23	High Quality Liquor	1,056,700	85,000	1,141,700
1.1.02.25	Beer	1,016,500	95,000	1,111,500
1.1.02.26	Other Industrial Production	150,950	180,000	330,950
1.1.02.30	Contract Tax	70,000	0	70,000
1.1.02.40	Entertainment Tax	50	0	50
1.1.02.50	Vehicle Tax	530,000	70,000	600,000
	Indirect Tax Total	33,194,900	1,535,100	34,730,000
1.1.03.00	Income Tax	10,800,000	340,000	11,140,000
1.1.03.10	Corporate Income Tax	7,090,000	170,000	7,260,000
1.1.03.11	Government Corporations	3,540,000	60,000	3,600,000
1.1.03.12	Public Limited Companies	2,250,000	70,000	2,320,000
1.1.03.13	Private Limited Companies	1,300,000	40,000	1,340,000
1.1.03.20	Individual Income Tax	2,910,000	100,000	3,010,000
1.1.03.21	Remuneration Tax	655,000	20,000	675,000
1.1.03.22	Business, Industry and Occupation	2,255,000	80,000	2,335,000
1.1.03.30	House And Land Rent Tax	280,000	40,000	320,000
1.1.03.40	Interest Tax	520,000	30,000	550,000
1.1.04.00	Tax on House, Land and Other Property	1,200,000	100,000	1,300,000
1.1.04.30	House and Land Registration	1,200,000	100,000	1,300,000
	Direct Tax Total	12,000,000	440,000	12,440,000
	Tax Revenue Total	45,194,900	1,975,100	47,170,000
1.1.05.00	Duty and Fees	1,932,920	75,000	2,007,920
1.1.05.10	Firm Registration	75,000	0	75,000
1.1.05.20	Agency Registration	3,500	0	3,500
1.1.05.30	Arms Registration	1,500	0	1,500
1.1.05.40	Vehicle Licence Fees	115,000	0	115,000
1.1.05.50	Export Import Licence Fees	26,000	0	26,000
1.1.05.60	Examination Fees	15,050	0	15,050

Estimates Of Government Revenue
Fiscal Year 2058/59

Annex-2
(Rs. in '000)

Code No.	Head	Existing Sources	New Proposal	
1.1.05.70	Passport Fees	425,500	0	425,500
1.1.05.80	Tourism Fees	1,204,800	75,000	1,279,800
1.1.05.81	Visa Fees	946,300	50,000	996,300
1.1.05.82	Mountaineering and Trekking Fees	245,000	20,000	265,000
1.1.05.83	Other Fees	13,500	5,000	18,500
1.1.05.90	Other Administrative Fees	66,570	0	66,570
1.1.06.00	Penalty, Fines and Forfeitures	149,000	0	149,000
1.1.06.10	Judicial Duties, Penalty, Fines and Forfeiture	115,000	0	115,000
1.1.06.20	Administrative Penalty, Fines and Forfeiture	34,000	0	34,000
1.1.07.00	Receipt from Sales and Rent of Government Property, Services and Services	1,293,550	120,000	1,413,550
1.1.07.10	Receipt From Water Resources	20,000	0	20,000
1.1.07.11	Drinking Water	17,500	0	17,500
1.1.07.12	Irrigation	1,500	0	1,500
1.1.07.13	Electricity	1,000	0	1,000
1.1.07.20	Postal Services	282,550	35,000	317,550
1.1.07.30	Food and Agriculture	45,000	0	45,000
1.1.07.40	Education	150,000	0	150,000
1.1.07.50	Forest	601,000	85,000	686,000
1.1.07.60	Transport	95,000	0	95,000
1.1.07.70	Others	100,000	0	100,000
1.1.08.00	Dividends	3,020,000	385,000	3,405,000
1.1.08.10	Financial Institutions	2,550,000	150,000	2,700,000
1.1.08.20	Trading Concerns	50,000	10,000	60,000
1.1.08.40	Service oriented Institutions	270,000	200,000	470,000
1.1.08.50	Others	150,000	25,000	175,000
1.1.09.00	Interests	1,639,250	0	1,639,250
1.1.09.10	Financial Institutions	125,000	0	125,000
1.1.09.20	Trading Concerns	250	0	250
1.1.09.30	Industrial Undertakings	10,000	0	10,000
1.1.09.40	Services Oriented Institutions	1,500,000	0	1,500,000
1.1.09.50	Others	4,000	0	4,000
1.1.10.00	Royalty and Sales of Government Property	1,014,000	100,000	1,114,000
1.1.10.10	Royalty	919,000	100,000	1,019,000
1.1.10.11	Royalty From Mining	19,000	0	19,000
1.1.10.12	Royalty Related to Water Resource	650,000	50,000	700,000
1.1.10.13	Other Royalties	250,000	50,000	300,000
1.1.10.20	Sales	95,000	0	95,000
1.1.10.21	Sales of Government Land and Buildings	20,000	0	20,000
1.1.10.22	Sales of Government Goods	50,000	0	50,000
1.1.10.23	Other Sales	25,000	0	25,000
1.1.11.00	Principal Repayment	2,152,550	0	2,152,550
1.1.11.10	Financial Institutions	52,500	0	52,500
1.1.11.20	Trading Concerns	50	0	50
1.1.11.30	Industrial Undertakings	255,000	0	255,000

**Estimates Of Government Revenue
Fiscal Year 2058/59**

**Annex-2
(Rs. in '000)**

Code No.	Head	Existing Sources	New Proposal	
1.1.11.40	Service Oriented Institutions	1,830,000	0	1,830,000
1.1.11.50	Others	15,000	0	15,000
1.1.12.00	Donation, and Miscellaneous Income	150,050	1,050,000	1,200,050
1.1.12.10	Donations	50	0	50
1.1.12.20	Miscellaneous	150,000	1,050,000	1,200,000
	Non Tax Revenue Total	11,351,320	1,730,000	13,081,320
	Revenue Total	56,546,220	3,705,100	60,251,320

Summary of Budget Estimate
Fiscal Year 2058/59

Annex - 3
(Rs. in '000)

Head	2056/57 Actual Expenditure	2057/58 Revised Estimate	2058/59 Estimate
Total Expenditure	66,272,461	83,224,807	99,792,219
Regular	34,523,278	43,460,936	49,321,941
Development	31,749,183	39,763,871	50,470,278
Central Level	25,173,400	31,826,454	39,580,748
District Level	6,575,783	7,937,417	10,880,530
Non - Votable Accounts	10,262,371	12,270,094	14,759,949
Votable Accounts	56,010,090	70,954,713	85,032,270
Personnel Expenses			20,602,609
Other Charges			39,927,264
Capital Expenses			39,262,346

Estimate of Government Expenditure

Fiscal Year 2058/59

Annex-4
(Rs.In '000)

Code	Head	Regular	Development	Total Budget
11	His Majesty & Royal Family	116,285	0	116,285
12	State Council	8,873	0	8,873
13	National Assembly	196,579	0	196,579
14	Courts	399,215	73,500	472,715
15	Commission of Prevention of Misuse of Authority	14,637	3,000	17,637
16	Department of Auditor General	54,426	4,800	59,226
17	Public Service Commission	50,512	16,000	66,512
18	Election Commission	361,940	0	361,940
19	Attorney General	90,514	8,200	98,714
20	Council of Justice	5,498	0	5,498
25	Prime Minister's Office	15,961	0	15,961
26	Deputy Prime Minister's Office	2,912	0	2,912
30	Council of Ministers	49,920	0	49,920
35	Ministry of Finance	491,785	575,771	1,067,556
38	Ministry of Industry, Commerce & Supplies	245,476	1,136,656	1,382,132
39	Ministry of Law, Justice and Parliamentary Management	23,169	3,700	26,869
40	Ministry of Agriculture & Cooperatives	164,011	3,763,545	3,927,556
45	Ministry of Home Affairs	6,882,183	124,530	7,006,713
46	Ministry of Population & Environment	9,341	50,819	60,160
47	Ministry of Water Resources	160,458	5,139,826	5,300,284
48	Ministry of Physical Planning and Works	346,428	9,262,286	9,608,714
49	Ministry of Culture, Tourism and Civil Aviation	105,157	705,726	810,883
50	Ministry of Foreign Affairs	969,121	0	969,121
55	Ministry of Land Reform and Management	379,533	419,837	799,370
56	Ministry of Women, Children & Social Welfare	56,355	261,196	317,551
58	Ministry of Defence	4,529,741	0	4,529,741
59	Ministry of Forestry and Soil Conservation	952,050	776,459	1,728,509
61	Ministry of Science & Technology	26,631	883,609	910,330
65	Ministry of Education & Sports	10,497,895	3,574,952	14,072,847
66	Ministry of General Administration	42,969	605,478	648,447
67	Ministry of Information and Communication	922,603	236,498	1,159,101
69	Ministry of Local Development	628,782	6,325,868	6,954,650
70	Ministry of Health	2,243,725	2,947,230	5,190,955
71	Ministry of Labour & Transport Management	47,660	94,958	142,618
72	National Planning Commission	87,128	361,217	448,345
81	Domestic Debt	5,393,399	0	5,393,399
82	Foreign Debt - Institutional	5,120,185	0	5,120,185
83	Foreign Debt - Governments	3,600,435	0	3,600,435
86	Investments - Institutions	48,124	0	48,124
87	Investments - Public Enterprises	0	11,319,477	11,319,477
95	Miscellaneous - MOF	3,980,325	1,795,050	5,775,375
Total:		49,321,941	50,470,278	99,792,219

Actual And Revised Estimate Of Government Revenue

Annex-5
(Rs. in '000)

Code No.	Head	2056/57 Actual Expenditure	2057/58 Revised Estimate
1.1.01.00	Commodity Tax based on Foreign Trade	10,813,319	12,277,872
1.1.01.10	Import Duties	8,959,897	10,234,197
1.1.01.20	Equalizing Duties	49,076	75,046
1.1.01.30	Indian Excise Duties	1,331,722	1,470,080
1.1.01.40	Export Duties	152,261	240,049
1.1.01.50	Export Service Charge	280,224	245,900
1.1.01.60	Others	40,139	12,600
1.1.02.00	Internal Commodity Tax on Goods and Services	13,783,847	16,280,975
1.1.02.10	Sales Tax / Value Added Tax	9,854,905	11,850,000
1.1.02.11	Production	1,341,137	1,695,600
1.1.02.12	Imports	6,129,204	7,300,000
1.1.02.13	Sales and Distribution	822,048	944,000
1.1.02.14	Services	1,562,516	1,910,400
1.1.02.20	Excise Duties	3,127,616	3,700,000
1.1.02.21	Cigarettes	1,438,159	1,822,000
1.1.02.22	Bidi	5,552	3,936
1.1.02.23	High Quality Liquor	934,561	878,934
1.1.02.24	Low Quality Liquor	995	1,200
1.1.02.25	Beer	665,277	863,904
1.1.02.26	Other Industrial Production	83,072	130,026
1.1.02.30	Contract Tax	374,509	327,200
1.1.02.40	Entertainment Tax	28,489	3,600
1.1.02.50	Vehicle Tax	396,486	400,000
1.1.02.60	Hotel Tax	1,793	175
1.1.02.70	Air flight Tax	49	0
1.1.02.71	Internal Air Flight Tax	27	0
1.1.02.72	External Air Flight Tax	22	0
Indirect Tax Total		24,597,166	28,558,847
1.1.03.00	Income Tax	7,420,606	9,230,000
1.1.03.10	Corporate Income Tax	4,438,355	6,053,500
1.1.03.11	Government Corporations	2,198,843	2,972,600
1.1.03.12	Public Limited Companies	1,339,450	1,902,400
1.1.03.13	Private Limited Companies	900,062	1,178,500
1.1.03.20	Individual Income Tax	2,316,541	2,476,500
1.1.03.21	Remuneration Tax	451,465	562,700
1.1.03.22	Business, Industry and Occupation	1,865,076	1,913,800
1.1.03.30	House And Land Rent Tax	251,214	250,000
1.1.03.40	Interest Tax	414,496	450,000
1.1.04.00	Tax on House, Land and Other Property	1,134,409	981,980
1.1.04.10	Land Revenue	479	0
1.1.04.20	Bhumi Kar	4,132	0
1.1.04.30	House and Land Registration	1,011,297	981,330
1.1.04.40	House and Land tax	118,501	650
Direct Tax Total		8,555,015	10,211,980

Actual And Revised Estimate Of Government Revenue

Annex-5
(Rs. in '000)

Code No.	Head	2056/57 Actual Expenditure	2057/58 Revised Estimate
Tax Revenue Total		33,152,181	38,770,827
1.1.05.00	Duty and Fees	1,619,017	1,812,650
1.1.05.10	Firm Registration	63,031	65,350
1.1.05.20	Agency Registration	2,754	3,067
1.1.05.30	Arms Registration	2,408	1,233
1.1.05.40	Vehicle Licence Fees	105,989	100,000
1.1.05.50	Export Import Licence Fees	8,983	23,100
1.1.05.60	Examination Fees	15,584	4,000
1.1.05.70	Passport Fees	304,880	393,300
1.1.05.80	Tourism Fees	1,055,884	1,161,600
1.1.05.81	Visa Fees	848,741	914,100
1.1.05.82	Mountaineering and Trekking Fees	203,121	235,000
1.1.05.83	Other Fees	4,022	12,500
1.1.05.90	Other Administrative Fees	59,504	61,000
1.1.06.00	Penalty, Fines and Forfeitures	128,099	136,500
1.1.06.10	Judicial Duties, Penalty, Fines and Forfeiture	95,822	105,500
1.1.06.20	Administrative Penalty, Fines and Forfeiture	32,277	31,000
1.1.07.00	Receipt from Sales and Rent of Government Property, Services and Services	1,068,082	1,157,000
1.1.07.10	Receipt From Water Resources	15,892	11,000
1.1.07.11	Drinking Water	14,129	10,000
1.1.07.12	Irrigation	1,490	850
1.1.07.13	Electricity	273	150
1.1.07.20	Postal Services	226,563	251,000
1.1.07.30	Food and Agriculture	43,430	42,500
1.1.07.40	Education	83,482	132,500
1.1.07.50	Forest	525,242	555,000
1.1.07.60	Transport	85,981	90,000
1.1.07.70	Others	87,492	75,000
1.1.08.00	Dividends	2,507,464	2,770,000
1.1.08.10	Financial Institutions	2,135,462	2,405,000
1.1.08.20	Trading Concerns	9,664	30,000
1.1.08.30	Industrial Undertakings	103,194	0
1.1.08.40	Service oriented Institutions	138,030	230,000
1.1.08.50	Others	121,114	105,000
1.1.09.00	Interests	1,568,144	1,658,000
1.1.09.10	Financial Institutions	111,426	103,300
1.1.09.20	Trading Concerns	0	200
1.1.09.30	Industrial Undertakings	18,739	1,500
1.1.09.40	Services Oriented Institutions	1,434,968	1,550,000
1.1.09.50	Others	3,011	3,000
1.1.10.00	Royalty and Sales of Government Property	563,341	670,800
1.1.10.10	Royalty	382,602	622,000
1.1.10.11	Royalty From Mining	11,720	5,000

Actual And Revised Estimate Of Government Revenue

Annex-5
(Rs. in '000)

Code No.	Head	2056/57 Actual Expenditure	2057/58 Revised Estimate
1.1.10.12	Royalty Related to Water Resource	356,168	603,500
1.1.10.13	Other Royalties	14,714	13,500
1.1.10.20	Sales	180,739	48,800
1.1.10.21	Sales of Government Land and Buildings	114,578	12,500
1.1.10.22	Sales of Government Goods	47,364	21,300
1.1.10.23	Other Sales	18,797	15,000
1.1.11.00	Principal Repayment	2,182,956	2,520,510
1.1.11.10	Financial Institutions	307,945	42,500
1.1.11.20	Trading Concerns	6	10
1.1.11.30	Industrial Undertakings	271,121	201,500
1.1.11.40	Service Oriented Institutions	1,596,967	2,271,500
1.1.11.50	Others	6,917	5,000
1.1.12.00	Donation, and Miscellaneous Income	104,496	110,515
1.1.12.10	Donations	16	15
1.1.12.20	Miscellaneous	104,480	110,500
	Non Tax Revenue Total	9,741,599	10,835,975
	Revenue Total	42,893,780	49,606,802

Budget Status: Regular and Development

Fiscal Year 2056/57 and 2057/58

Annex-6
(Rs.in '000)

Code	Head	2056/57 Actual		2057/58 Revised Estimate	
		Regular	Development	Regular	Development
11	His Majesty & Royal Family	87,828	0	92,965	0
12	State Council	6,075	0	7,296	0
13	National Assembly	143,079	0	151,600	0
14	Courts	257,434	0	295,310	50,000
15	Commission of Prevention of Misuse of Authority	7,393	1,500	8,623	1,500
16	Department of Auditor General	34,781	15,229	42,355	2,900
17	Public Service Commission	45,145	9,928	47,178	3,500
18	Election Commission	49,012	0	56,885	0
19	Attorney General	48,697	0	62,752	4,500
20	Council of Justice	1,668	0	10,200	0
25	Prime Minister's Office	8,112	0	8,870	0
26	Deputy Prime Minister's Office	0	0	2,100	0
30	Council of Ministers	20,492	0	34,066	0
35	Ministry of Finance	303,605	566,401	395,207	470,149
38	Ministry of Industry, Commerce & Supplies	260,622	886,686	210,866	898,793
39	Ministry of Law, Justice and Parliamentary Management	15,529	2,805	18,134	4,300
40	Ministry of Agriculture & Cooperatives	111,166	2,113,194	125,030	2,549,154
45	Ministry of Home Affairs	3,824,929	34,911	5,344,148	62,612
46	Ministry of Population & Environment	5,961	28,193	8,108	48,050
47	Ministry of Water Resources	132,595	2,901,382	153,625	4,308,191
48	Ministry of Physical Planning and Works	289,353	6,543,213	390,250	7,661,708
49	Ministry of Culture, Tourism and Civil Aviation	76,980	314,546	84,034	622,481
50	Ministry of Foreign Affairs	731,702	0	816,062	0
55	Ministry of Land Reform and Management	256,427	263,765	288,523	434,260
56	Ministry of Women, Children & Social Welfare	53,192	153,353	55,245	185,820
58	Ministry of Defence	3,485,691	0	3,870,290	0
59	Ministry of Forestry and Soil Conservation	801,027	503,617	870,159	589,504
61	Ministry of Science & Technology	10,400	314,475	19,445	387,184
65	Ministry of Education & Sports	6,774,093	2,832,487	8,889,056	3,014,565
66	Ministry of General Administration	36,414	7,214	39,439	10,455
67	Ministry of Information and Communication	664,427	62,191	764,305	135,881
69	Ministry of Local Development	555,021	4,294,295	569,540	5,110,994
70	Ministry of Health	1,336,167	2,035,678	1,623,366	1,980,458
71	Ministry of Labour & Transport Management	31,954	62,608	36,591	74,909
72	National Planning Commission	53,446	34,452	61,024	343,432
81	Domestic Debt	4,712,825	0	5,145,335	0
82	Foreign Debt - Institutional	3,614,550	0	4,203,860	0
83	Foreign Debt - Governments	1,705,436	0	2,680,522	0
86	Investments - Institutions	39,246	0	38,000	0
87	Investments - Public Enterprises	0	7,113,217	0	9,170,571
88	Investment - Other	0	99,740	0	0
95	Miscellaneous - MOF	3,917,816	554,103	5,960,550	1,638,000
Total:		34,523,278	31,749,183	43,460,936	39,763,871

Fiscal Year 2058/59

Functional and Ministry Budget Analysis for Regular Expenditure Items

Annex 7

Function/Ministry		2058/59 Budget				Distribution Percentage
		Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
His Majesty and Royal Family		116,285	0	116,285	0	0.24
101	His Majesty & Royal Family	116,285	0	116,285	0	0.24
11	His Majesty & Royal Family	116,285	0	116,285	0	0.24
Constitutional Organs		1,171,106	872,011	299,095	0	2.37
102	Constitutional Organs	1,171,106	872,011	299,095	0	2.37
12	State Council	8,873	5,963	2,910	0	0.02
13	National Assembly	196,579	139,998	56,581	0	0.40
14	Courts	388,127	321,653	66,474	0	0.79
15	Commission of Prevention of Misuse of Authority	14,637	11,873	2,764	0	0.03
16	Department of Auditor General	54,426	47,898	6,528	0	0.11
17	Public Service Commission	50,512	27,768	22,744	0	0.10
18	Election Commission	361,940	236,127	125,813	0	0.73
19	Attorney General	90,514	78,196	12,318	0	0.18
20	Council of Justice	5,498	2,535	2,963	0	0.01
General Administration		8,774,495	5,853,210	2,308,930	612,355	17.79
103	General Administration	2,456,061	1,176,339	1,229,422	50,300	4.98
14	Courts	11,088	7,545	3,543	0	0.02
25	Prime Minister's Office	15,961	10,276	5,585	100	0.03
26	Deputy Prime Minister's Office	2,912	1,612	1,250	50	0.01
30	Council of Ministers	49,920	35,000	14,770	150	0.10
35	Ministry of Finance	31,170	19,445	11,725	0	0.06
38	Ministry of Industry, Commerce & Supplies	20,114	13,975	6,139	0	0.04
39	Ministry of Law, Justice and Parliamentary Manager	23,169	14,369	8,800	0	0.05
40	Ministry of Agriculture & Cooperatives	16,063	13,258	2,805	0	0.03
45	Ministry of Home Affairs	1,067,542	460,957	606,585	0	2.16
46	Ministry of Population & Environment	9,341	7,726	1,615	0	0.02
47	Ministry of Water Resources	8,635	6,890	1,745	0	0.02
48	Ministry of Physical Planning and Works	17,341	11,360	5,981	0	0.04
49	Ministry of Culture, Tourism and Civil Aviation	17,748	13,280	4,468	0	0.04
50	Ministry of Foreign Affairs	969,121	424,327	494,794	50,000	1.96
55	Ministry of Land Reform and Management	6,525	4,940	1,585	0	0.01
56	Ministry of Women, Children & Social Welfare	8,569	6,365	2,204	0	0.02
58	Ministry of Defence	8,454	3,094	5,360	0	0.02
59	Ministry of Forestry and Soil Conservation	12,040	9,700	2,340	0	0.02
61	Ministry of Science & Technology	12,513	9,185	3,328	0	0.03
65	Ministry of Education & Sports	21,805	12,609	9,196	0	0.04
66	Ministry of General Administration	42,969	19,146	23,823	0	0.09
67	Ministry of Information and Communication	8,341	6,231	2,110	0	0.02
69	Ministry of Local Development	28,312	25,452	2,860	0	0.06
70	Ministry of Health	15,667	13,683	1,984	0	0.03
71	Ministry of Labour & Transport Management	6,791	5,452	1,339	0	0.01
72	National Planning Commission	23,950	20,462	3,488	0	0.05
104	Police	5,794,641	4,292,557	940,029	562,055	11.75
45	Ministry of Home Affairs	5,794,641	4,292,557	940,029	562,055	11.75
105	Revenue & Financial Administration	460,615	327,802	132,813	0	0.93
35	Ministry of Finance	460,615	327,802	132,813	0	0.93

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
106 Planning & Statistic	63,178	56,512	6,666	0	0.13
72 National Planning Commission	63,178	56,512	6,666	0	0.13
Defence	4,521,287	3,618,590	457,252	445,445	9.17
107 Defence	4,521,287	3,618,590	457,252	445,445	9.17
58 Ministry of Defence	4,521,287	3,618,590	457,252	445,445	9.17
Social Services	13,533,612	2,208,777	11,324,835	0	27.44
108 Education	10,428,840	234,148	10,194,692	0	21.14
65 Ministry of Education & Sports	10,428,840	234,148	10,194,692	0	21.14
109 Health	2,228,058	1,869,151	358,907	0	4.52
70 Ministry of Health	2,228,058	1,869,151	358,907	0	4.52
110 Drinking Water	10,717	9,675	1,042	0	0.02
48 Ministry of Physical Planning and Works	10,717	9,675	1,042	0	0.02
111 Local Development	20,470	16,595	3,875	0	0.04
69 Ministry of Local Development	20,470	16,595	3,875	0	0.04
Other Social Services	845,527	79,208	766,319	0	1.71
113 Women, Childred & Social Welfare	47,786	8,364	39,422	0	0.10
56 Ministry of Women, Children & Social Welfare	47,786	8,364	39,422	0	0.10
114 Youth, Sports & Culture	122,015	41,153	80,862	0	0.25
49 Ministry of Culture, Tourism and Civil Aviation	74,765	41,153	33,612	0	0.15
65 Ministry of Education & Sports	47,250	0	47,250	0	0.10
115 Housing	75,726	29,691	46,035	0	0.15
48 Ministry of Physical Planning and Works	75,726	29,691	46,035	0	0.15
116 Others - Social	600,000	0	600,000	0	1.22
45 Ministry of Home Affairs	20,000	0	20,000	0	0.04
69 Ministry of Local Development	580,000	0	580,000	0	1.18
Economic Services	3,110,812	2,454,149	606,541	50,122	6.31
117 Agriculture	147,948	121,404	25,989	555	0.30
40 Ministry of Agriculture & Cooperatives	147,948	121,404	25,989	555	0.30
118 Irrigation	140,936	37,460	103,476	0	0.29
47 Ministry of Water Resources	140,936	37,460	103,476	0	0.29
119 Land Reform & Survey	373,008	322,281	50,727	0	0.76
55 Ministry of Land Reform and Management	373,008	322,281	50,727	0	0.76
120 Forest	940,010	905,223	34,787	0	1.91
59 Ministry of Forestry and Soil Conservation	940,010	905,223	34,787	0	1.91
121 Industry	193,959	61,342	131,180	1,437	0.39
38 Ministry of Industry, Commerce & Supplies	193,959	61,342	131,180	1,437	0.39
122 Communications	914,262	766,944	147,318	0	1.85
67 Ministry of Information and Communication	914,262	766,944	147,318	0	1.85
Transportation	270,016	186,525	83,491	0	0.55
123 Road Transportation	270,016	186,525	83,491	0	0.55
48 Ministry of Physical Planning and Works	242,644	163,905	78,739	0	0.49
71 Ministry of Labour & Transport Management	27,372	22,620	4,752	0	0.06
125 Electricity	10,887	8,446	2,435	6	0.02
47 Ministry of Water Resources	10,887	8,446	2,435	6	0.02
Other Economic Services	119,786	44,524	27,138	48,124	0.24
126 Tourism	12,644	2,709	9,935	0	0.03

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
49 Ministry of Culture, Tourism and Civil Aviation	12,644	2,709	9,935	0	0.03
127 Metereology	14,118	13,615	503	0	0.03
61 Ministry of Science & Technology	14,118	13,615	503	0	0.03
129 Commerce	31,403	18,940	12,463	0	0.06
38 Ministry of Industry, Commerce & Supplies	31,403	18,940	12,463	0	0.06
130 Labour	13,497	9,260	4,237	0	0.03
71 Ministry of Labour & Transport Management	13,497	9,260	4,237	0	0.03
131 Others - Economic	48,124	0	0	48,124	0.10
86 Investments - Institutions	48,124	0	0	48,124	0.10
Loan Payment	14,114,019	0	14,114,019	0	28.62
132 Internal Loan Payment	5,393,399	0	5,393,399	0	10.94
81 Domestic Debt	5,393,399	0	5,393,399	0	10.94
133 External Loan Payment	8,720,620	0	8,720,620	0	17.68
82 Foreign Debt - Institutional	5,120,185	0	5,120,185	0	10.38
83 Foreign Debt - Governments	3,600,435	0	3,600,435	0	7.30
Miscellaneous	3,980,325	2,895,065	853,760	231,500	8.07
134 Miscellaneous	3,980,325	2,895,065	853,760	231,500	8.07
95 Miscellaneous - MOF	3,980,325	2,895,065	853,760	231,500	8.07
Total Regular Expenditure:	49,321,941	17,901,802	30,080,717	1,339,422	100.00

Fiscal Year 2058/59

Ministry and Functional Budget Analysis for Regular Expenditure Items

Annex 7(a)
(Rs. in '000s)

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
11 His Majesty & Royal Family	116,285	0	116,285	0	0.24
101 His Majesty & Royal Family	116,285	0	116,285	0	0.24
12 State Council	8,873	5,963	2,910	0	0.02
102 Constitutional Organs	8,873	5,963	2,910	0	0.02
13 National Assembly	196,579	139,998	56,581	0	0.40
102 Constitutional Organs	196,579	139,998	56,581	0	0.40
14 Courts	399,215	329,198	70,017	0	0.81
102 Constitutional Organs	388,127	321,653	66,474	0	0.79
103 General Administration	11,088	7,545	3,543	0	0.02
15 Commission of Prevention of Misuse of Authority	14,637	11,873	2,764	0	0.03
102 Constitutional Organs	14,637	11,873	2,764	0	0.03
16 Department of Auditor General	54,426	47,898	6,528	0	0.11
102 Constitutional Organs	54,426	47,898	6,528	0	0.11
17 Public Service Commission	50,512	27,768	22,744	0	0.10
102 Constitutional Organs	50,512	27,768	22,744	0	0.10
18 Election Commission	361,940	236,127	125,813	0	0.73
102 Constitutional Organs	361,940	236,127	125,813	0	0.73
19 Attorney General	90,514	78,196	12,318	0	0.18
102 Constitutional Organs	90,514	78,196	12,318	0	0.18
20 Council of Justice	5,498	2,535	2,963	0	0.01
102 Constitutional Organs	5,498	2,535	2,963	0	0.01
25 Prime Minister's Office	15,961	10,276	5,585	100	0.03
103 General Administration	15,961	10,276	5,585	100	0.03
26 Deputy Prime Minister's Office	2,912	1,612	1,250	50	0.01
103 General Administration	2,912	1,612	1,250	50	0.01
30 Council of Ministers	49,920	35,000	14,770	150	0.10
103 General Administration	49,920	35,000	14,770	150	0.10
35 Ministry of Finance	491,785	347,247	144,538	0	1.00
103 General Administration	31,170	19,445	11,725	0	0.06
105 Revenue & Financial Administration	460,615	327,802	132,813	0	0.93
38 Ministry of Industry, Commerce & Supplies	245,476	94,257	149,782	1,437	0.50
103 General Administration	20,114	13,975	6,139	0	0.04
121 Industry	193,959	61,342	131,180	1,437	0.39
129 Commerce	31,403	18,940	12,463	0	0.06
39 Ministry of Law, Justice and Parliamentary Management	23,169	14,369	8,800	0	0.05
103 General Administration	23,169	14,369	8,800	0	0.05
40 Ministry of Agriculture & Cooperatives	164,011	134,662	28,794	555	0.33
103 General Administration	16,063	13,258	2,805	0	0.03
117 Agriculture	147,948	121,404	25,989	555	0.30
45 Ministry of Home Affairs	6,882,183	4,753,514	1,566,614	562,055	13.95
103 General Administration	1,067,542	460,957	606,585	0	2.16
104 Police	5,794,641	4,292,557	940,029	562,055	11.75
116 Others - Social	20,000	0	20,000	0	0.04

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
46 Ministry of Population & Environment	9,341	7,726	1,615	0	0.02
103 General Administration	9,341	7,726	1,615	0	0.02
47 Ministry of Water Resources	160,458	52,796	107,656	6	0.33
103 General Administration	8,635	6,890	1,745	0	0.02
118 Irrigation	140,936	37,460	103,476	0	0.29
125 Electricity	10,887	8,446	2,435	6	0.02
48 Ministry of Physical Planning and Works	346,428	214,631	131,797	0	0.70
103 General Administration	17,341	11,360	5,981	0	0.04
110 Drinking Water	10,717	9,675	1,042	0	0.02
115 Housing	75,726	29,691	46,035	0	0.15
123 Road Transportation	242,644	163,905	78,739	0	0.49
49 Ministry of Culture, Tourism and Civil Aviation	105,157	57,142	48,015	0	0.21
103 General Administration	17,748	13,280	4,468	0	0.04
114 Youth, Sports & Culture	74,765	41,153	33,612	0	0.15
126 Tourism	12,644	2,709	9,935	0	0.03
50 Ministry of Foreign Affairs	969,121	424,327	494,794	50,000	1.96
103 General Administration	969,121	424,327	494,794	50,000	1.96
55 Ministry of Land Reform and Management	379,533	327,221	52,312	0	0.77
103 General Administration	6,525	4,940	1,585	0	0.01
119 Land Reform & Survey	373,008	322,281	50,727	0	0.76
56 Ministry of Women, Children & Social Welfare	56,355	14,729	41,626	0	0.11
103 General Administration	8,569	6,365	2,204	0	0.02
113 Women, Childred & Social Welfare	47,786	8,364	39,422	0	0.10
58 Ministry of Defence	4,529,741	3,621,684	462,612	445,445	9.18
103 General Administration	8,454	3,094	5,360	0	0.02
107 Defence	4,521,287	3,618,590	457,252	445,445	9.17
59 Ministry of Forestry and Soil Conservation	952,050	914,923	37,127	0	1.93
103 General Administration	12,040	9,700	2,340	0	0.02
120 Forest	940,010	905,223	34,787	0	1.91
61 Ministry of Science & Technology	26,631	22,800	3,831	0	0.05
103 General Administration	12,513	9,185	3,328	0	0.03
127 Metereology	14,118	13,615	503	0	0.03
65 Ministry of Education & Sports	10,497,895	246,757	10,251,138	0	21.28
103 General Administration	21,805	12,609	9,196	0	0.04
108 Education	10,428,840	234,148	10,194,692	0	21.14
114 Youth, Sports & Culture	47,250	0	47,250	0	0.10
66 Ministry of General Administration	42,969	19,146	23,823	0	0.09
103 General Administration	42,969	19,146	23,823	0	0.09
67 Ministry of Information and Communication	922,603	773,175	149,428	0	1.87
103 General Administration	8,341	6,231	2,110	0	0.02
122 Communications	914,262	766,944	147,318	0	1.85
69 Ministry of Local Development	628,782	42,047	586,735	0	1.27
103 General Administration	28,312	25,452	2,860	0	0.06

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
111 Local Development	20,470	16,595	3,875	0	0.04
116 Others - Social	580,000	0	580,000	0	1.18
70 Ministry of Health	2,243,725	1,882,834	360,891	0	4.55
103 General Administration	15,667	13,683	1,984	0	0.03
109 Health	2,228,058	1,869,151	358,907	0	4.52
71 Ministry of Labour & Transport Management	47,660	37,332	10,328	0	0.10
103 General Administration	6,791	5,452	1,339	0	0.01
123 Road Transportation	27,372	22,620	4,752	0	0.06
130 Labour	13,497	9,260	4,237	0	0.03
72 National Planning Commission	87,128	76,974	10,154	0	0.18
103 General Administration	23,950	20,462	3,488	0	0.05
106 Planning & Statistic	63,178	56,512	6,666	0	0.13
81 Domestic Debt	5,393,399	0	5,393,399	0	10.94
132 Internal Loan Payment	5,393,399	0	5,393,399	0	10.94
82 Foreign Debt - Institutional	5,120,185	0	5,120,185	0	10.38
133 External Loan Payment	5,120,185	0	5,120,185	0	10.38
83 Foreign Debt - Governments	3,600,435	0	3,600,435	0	7.30
133 External Loan Payment	3,600,435	0	3,600,435	0	7.30
86 Investments - Institutions	48,124	0	0	48,124	0.10
131 Others - Economic	48,124	0	0	48,124	0.10
95 Miscellaneous - MOF	3,980,325	2,895,065	853,760	231,500	8.07
134 Miscellaneous	3,980,325	2,895,065	853,760	231,500	8.07
Total Regular Expenditure:	49,321,941	17,901,802	30,080,717	1,339,422	100.00

Fiscal Year 2058/59

Functional and Ministry Budget Analysis for Development Expenditure Items

Annex 8
(Rs. in '000s)

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
Constitutional Organs	105,500	3,700	22,470	79,330	0.21
102 Constitutional Organs	105,500	3,700	22,470	79,330	0.21
14 Courts	73,500	2,500	14,570	56,430	0.15
15 Commission of Prevention of Misuse of Authority	3,000	0	500	2,500	0.01
16 Department of Auditor General	4,800	0	3,300	1,500	0.01
17 Public Service Commission	16,000	900	1,200	13,900	0.03
19 Attorney General	8,200	300	2,900	5,000	0.02
General Administration	994,532	576,136	188,318	230,078	1.97
103 General Administration	676,478	528,096	87,232	61,150	1.34
39 Ministry of Law, Justice and Parliamentary Manager	3,700	1,530	2,170	0	0.01
45 Ministry of Home Affairs	67,300	0	10,700	56,600	0.13
66 Ministry of General Administration	605,478	526,566	74,362	4,550	1.20
105 Revenue & Financial Administration	173,232	564	18,818	153,850	0.34
35 Ministry of Finance	173,232	564	18,818	153,850	0.34
106 Planning & Statistic	144,822	47,476	82,268	15,078	0.29
72 National Planning Commission	144,822	47,476	82,268	15,078	0.29
Social Services	18,757,048	522,681	4,936,100	13,298,267	37.16
108 Education	3,503,252	144,064	2,026,327	1,332,861	6.94
65 Ministry of Education & Sports	3,503,252	144,064	2,026,327	1,332,861	6.94
109 Health	3,007,230	194,070	1,459,418	1,353,742	5.96
38 Ministry of Industry, Commerce & Supplies	60,000	0	60,000	0	0.12
70 Ministry of Health	2,947,230	194,070	1,399,418	1,353,742	5.84
110 Drinking Water	3,992,872	37,336	44,557	3,910,979	7.91
48 Ministry of Physical Planning and Works	3,365,900	35,258	43,633	3,287,009	6.67
69 Ministry of Local Development	75,022	2,078	924	72,020	0.15
87 Investments - Public Enterprises	551,950	0	0	551,950	1.09
111 Local Development	6,406,150	63,442	422,444	5,920,264	12.69
69 Ministry of Local Development	5,806,150	63,442	422,444	5,320,264	11.50
95 Miscellaneous - MOF	600,000	0	0	600,000	1.19
Other Social Services	1,847,544	83,769	983,354	780,421	3.66
112 Population & Environment	50,819	1,085	43,294	6,440	0.10
46 Ministry of Population & Environment	50,819	1,085	43,294	6,440	0.10
113 Women, Childred & Social Welfare	261,196	63,926	194,845	2,425	0.52
56 Ministry of Women, Children & Social Welfare	261,196	63,926	194,845	2,425	0.52
114 Youth, Sports & Culture	366,196	2,211	72,255	291,730	0.73
49 Ministry of Culture, Tourism and Civil Aviation	294,496	2,211	64,555	227,730	0.58
65 Ministry of Education & Sports	71,700	0	7,700	64,000	0.14
115 Housing	444,386	7,482	60,542	376,362	0.88
45 Ministry of Home Affairs	50,000	0	50,000	0	0.10
48 Ministry of Physical Planning and Works	387,786	7,482	10,542	369,762	0.77
49 Ministry of Culture, Tourism and Civil Aviation	6,600	0	0	6,600	0.01
116 Others - Social	724,947	9,065	612,418	103,464	1.44
35 Ministry of Finance	2,502	0	0	2,502	0.00
45 Ministry of Home Affairs	7,230	1,085	6,145	0	0.01
61 Ministry of Science & Technology	358,740	1,150	356,390	1,200	0.71
69 Ministry of Local Development	69,777	4,486	35,832	29,459	0.14

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
72 National Planning Commission	216,395	2,344	214,051	0	0.43
87 Investments - Public Enterprises	70,303	0	0	70,303	0.14
Economic Services	30,308,148	1,598,290	4,394,609	24,315,249	60.05
117 Agriculture	3,870,507	843,936	1,824,913	1,201,658	7.67
35 Ministry of Finance	74,837	0	29,337	45,500	0.15
40 Ministry of Agriculture & Cooperatives	3,615,670	843,936	1,795,576	976,158	7.16
87 Investments - Public Enterprises	180,000	0	0	180,000	0.36
118 Irrigation	4,897,257	117,601	144,527	4,635,129	9.70
40 Ministry of Agriculture & Cooperatives	144,120	7,495	42,106	94,519	0.29
47 Ministry of Water Resources	4,739,728	110,106	102,421	4,527,201	9.39
87 Investments - Public Enterprises	13,409	0	0	13,409	0.03
119 Land Reform & Survey	419,837	130,895	131,697	157,245	0.83
55 Ministry of Land Reform and Management	419,837	130,895	131,697	157,245	0.83
120 Forest	780,214	223,661	76,706	479,847	1.55
40 Ministry of Agriculture & Cooperatives	3,755	1,311	2,229	215	0.01
59 Ministry of Forestry and Soil Conservation	776,459	222,350	74,477	479,632	1.54
121 Industry	919,271	160,261	503,910	255,100	1.82
38 Ministry of Industry, Commerce & Supplies	729,271	159,301	502,665	67,305	1.44
61 Ministry of Science & Technology	120,000	960	1,245	117,795	0.24
87 Investments - Public Enterprises	70,000	0	0	70,000	0.14
122 Communications	453,298	1,815	46,458	405,025	0.90
61 Ministry of Science & Technology	7,500	0	7,500	0	0.01
67 Ministry of Information and Communication	236,498	1,815	38,958	195,725	0.47
87 Investments - Public Enterprises	209,300	0	0	209,300	0.41
Transportation	6,366,719	38,756	77,717	6,250,246	12.61
123 Road Transportation	5,893,219	38,056	76,477	5,778,686	11.68
48 Ministry of Physical Planning and Works	5,508,600	31,946	72,230	5,404,424	10.91
69 Ministry of Local Development	374,919	5,935	3,777	365,207	0.74
71 Ministry of Labour & Transport Management	9,700	175	470	9,055	0.02
124 Air Transportation	473,500	700	1,240	471,560	0.94
49 Ministry of Culture, Tourism and Civil Aviation	2,000	700	1,240	60	0.00
87 Investments - Public Enterprises	471,500	0	0	471,500	0.93
125 Electricity	9,299,883	12,622	212,858	9,074,403	18.43
35 Ministry of Finance	286,000	0	0	286,000	0.57
47 Ministry of Water Resources	400,098	8,135	193,883	198,080	0.79
61 Ministry of Science & Technology	212,180	4,487	18,975	188,718	0.42
87 Investments - Public Enterprises	8,401,605	0	0	8,401,605	16.65
Other Economic Services	3,301,162	68,743	1,375,823	1,856,596	6.54
126 Tourism	402,630	3,595	161,835	237,200	0.80
49 Ministry of Culture, Tourism and Civil Aviation	402,630	3,595	161,835	237,200	0.80
127 Metereology	185,279	20,282	13,841	151,156	0.37
61 Ministry of Science & Technology	185,279	20,282	13,841	151,156	0.37
128 Supply	228,000	0	228,000	0	0.45
38 Ministry of Industry, Commerce & Supplies	228,000	0	228,000	0	0.45
129 Commerce	119,385	2,570	12,055	104,760	0.24
38 Ministry of Industry, Commerce & Supplies	119,385	2,570	12,055	104,760	0.24

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
130 Labour	165,258	42,296	110,892	12,070	0.33
71 Ministry of Labour & Transport Management	85,258	42,296	30,892	12,070	0.17
95 Miscellaneous - MOF	80,000	0	80,000	0	0.16
131 Others - Economic	2,200,610	0	849,200	1,351,410	4.36
35 Ministry of Finance	39,200	0	39,200	0	0.08
87 Investments - Public Enterprises	1,351,410	0	0	1,351,410	2.68
95 Miscellaneous - MOF	810,000	0	810,000	0	1.60
Miscellaneous	305,050	0	305,050	0	0.60
134 Miscellaneous	305,050	0	305,050	0	0.60
95 Miscellaneous - MOF	305,050	0	305,050	0	0.60
Total Development Expenditure:	50,470,278	2,700,807	9,846,547	37,922,924	100.00

Fiscal Year 2058/59

Ministry and Functional Budget Analysis for Development Expenditure Items

Annex 8(a)
(Rs. in '000s)

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
14 Courts	73,500	2,500	14,570	56,430	0.15
102 Constitutional Organs	73,500	2,500	14,570	56,430	0.15
15 Commission of Prevention of Misuse of Authority	3,000	0	500	2,500	0.01
102 Constitutional Organs	3,000	0	500	2,500	0.01
16 Department of Auditor General	4,800	0	3,300	1,500	0.01
102 Constitutional Organs	4,800	0	3,300	1,500	0.01
17 Public Service Commission	16,000	900	1,200	13,900	0.03
102 Constitutional Organs	16,000	900	1,200	13,900	0.03
19 Attorney General	8,200	300	2,900	5,000	0.02
102 Constitutional Organs	8,200	300	2,900	5,000	0.02
35 Ministry of Finance	575,771	564	87,355	487,852	1.14
105 Revenue & Financial Administration	173,232	564	18,818	153,850	0.34
116 Others - Social	2,502	0	0	2,502	0.00
117 Agriculture	74,837	0	29,337	45,500	0.15
125 Electricity	286,000	0	0	286,000	0.57
131 Others - Economic	39,200	0	39,200	0	0.08
38 Ministry of Industry, Commerce & Supplies	1,136,656	161,871	802,720	172,065	2.25
109 Health	60,000	0	60,000	0	0.12
121 Industry	729,271	159,301	502,665	67,305	1.44
128 Supply	228,000	0	228,000	0	0.45
129 Commerce	119,385	2,570	12,055	104,760	0.24
39 Ministry of Law, Justice and Parliamentary Management	3,700	1,530	2,170	0	0.01
103 General Administration	3,700	1,530	2,170	0	0.01
40 Ministry of Agriculture & Cooperatives	3,763,545	852,742	1,839,911	1,070,892	7.46
117 Agriculture	3,615,670	843,936	1,795,576	976,158	7.16
118 Irrigation	144,120	7,495	42,106	94,519	0.29
120 Forest	3,755	1,311	2,229	215	0.01
45 Ministry of Home Affairs	124,530	1,085	66,845	56,600	0.25
103 General Administration	67,300	0	10,700	56,600	0.13
115 Housing	50,000	0	50,000	0	0.10
116 Others - Social	7,230	1,085	6,145	0	0.01
46 Ministry of Population & Environment	50,819	1,085	43,294	6,440	0.10
112 Population & Environment	50,819	1,085	43,294	6,440	0.10
47 Ministry of Water Resources	5,139,826	118,241	296,304	4,725,281	10.18
118 Irrigation	4,739,728	110,106	102,421	4,527,201	9.39
125 Electricity	400,098	8,135	193,883	198,080	0.79
48 Ministry of Physical Planning and Works	9,262,286	74,686	126,405	9,061,195	18.35
110 Drinking Water	3,365,900	35,258	43,633	3,287,009	6.67
115 Housing	387,786	7,482	10,542	369,762	0.77
123 Road Transportation	5,508,600	31,946	72,230	5,404,424	10.91
49 Ministry of Culture, Tourism and Civil Aviation	705,726	6,506	227,630	471,590	1.40
114 Youth, Sports & Culture	294,496	2,211	64,555	227,730	0.58
115 Housing	6,600	0	0	6,600	0.01

Function/Ministry	2058/59 Budget				Distribution Percentage
	Total Budget	Personnel Expenses	Other Charges	Capital Expenses	
124 Air Transportation	2,000	700	1,240	60	0.00
126 Tourism	402,630	3,595	161,835	237,200	0.80
55 Ministry of Land Reform and Management	419,837	130,895	131,697	157,245	0.83
119 Land Reform & Survey	419,837	130,895	131,697	157,245	0.83
56 Ministry of Women, Children & Social Welfare	261,196	63,926	194,845	2,425	0.52
113 Women, Childred & Social Welfare	261,196	63,926	194,845	2,425	0.52
59 Ministry of Forestry and Soil Conservation	776,459	222,350	74,477	479,632	1.54
120 Forest	776,459	222,350	74,477	479,632	1.54
61 Ministry of Science & Technology	883,699	26,879	397,951	458,869	1.75
116 Others - Social	358,740	1,150	356,390	1,200	0.71
121 Industry	120,000	960	1,245	117,795	0.24
122 Communications	7,500	0	7,500	0	0.01
125 Electricity	212,180	4,487	18,975	188,718	0.42
127 Metereology	185,279	20,282	13,841	151,156	0.37
65 Ministry of Education & Sports	3,574,952	144,064	2,034,027	1,396,861	7.08
108 Education	3,503,252	144,064	2,026,327	1,332,861	6.94
114 Youth, Sports & Culture	71,700	0	7,700	64,000	0.14
66 Ministry of General Administration	605,478	526,566	74,362	4,550	1.20
103 General Administration	605,478	526,566	74,362	4,550	1.20
67 Ministry of Information and Communication	236,498	1,815	38,958	195,725	0.47
122 Communications	236,498	1,815	38,958	195,725	0.47
69 Ministry of Local Development	6,325,868	75,941	462,977	5,786,950	12.53
110 Drinking Water	75,022	2,078	924	72,020	0.15
111 Local Development	5,806,150	63,442	422,444	5,320,264	11.50
116 Others - Social	69,777	4,486	35,832	29,459	0.14
123 Road Transportation	374,919	5,935	3,777	365,207	0.74
70 Ministry of Health	2,947,230	194,070	1,399,418	1,353,742	5.84
109 Health	2,947,230	194,070	1,399,418	1,353,742	5.84
71 Ministry of Labour & Transport Management	94,958	42,471	31,362	21,125	0.19
123 Road Transportation	9,700	175	470	9,055	0.02
130 Labour	85,258	42,296	30,892	12,070	0.17
72 National Planning Commission	361,217	49,820	296,319	15,078	0.72
106 Planning & Statistic	144,822	47,476	82,268	15,078	0.29
116 Others - Social	216,395	2,344	214,051	0	0.43
87 Investments - Public Enterprises	11,319,477	0	0	11,319,477	22.43
110 Drinking Water	551,950	0	0	551,950	1.09
116 Others - Social	70,303	0	0	70,303	0.14
117 Agriculture	180,000	0	0	180,000	0.36
118 Irrigation	13,409	0	0	13,409	0.03
121 Industry	70,000	0	0	70,000	0.14
122 Communications	209,300	0	0	209,300	0.41
124 Air Transportation	471,500	0	0	471,500	0.93
125 Electricity	8,401,605	0	0	8,401,605	16.65

Function/Ministry	2058/59 Budget			Distribution Percentage	
	Total Budget	Personnel Expenses	Other Charges		Capital Expenses
131 Others - Economic	1,351,410	0	0	1,351,410	2.68
95 Miscellaneous - MOF	1,795,050	0	1,195,050	600,000	3.56
111 Local Development	600,000	0	0	600,000	1.19
130 Labour	80,000	0	80,000	0	0.16
131 Others - Economic	810,000	0	810,000	0	1.60
134 Miscellaneous	305,050	0	305,050	0	0.60
Total Development Expenditure:	50,470,278	2,700,807	9,846,547	37,922,924	100.00

Estimates of Expenditure by Economic Heads and Line Items

Fiscal Year 2058/59

Annex - 9
(Rs. in '000s)

Economic Heads and Expenditure Items	Regular	Development	Total
His Majesty and Royal Family	116,285	0	116,285
His Majesty and Royal Family	116,285	0	116,285
His Majesty & Royal Family	116,285	0	116,285
Current Expenditure	47,866,234	12,547,354	60,413,588
1 Consumption Expenses	17,901,802	2,700,807	20,602,609
1.01 Salary	10,912,409	1,485,470	12,397,879
1.02 Allowances	1,081,102	268,547	1,349,649
1.03 Transport & Daily Allowance	791,066	391,630	1,182,696
1.04 Uniforms	512,917	7,197	520,114
1.05 Food	2,142,416	37,683	2,180,099
1.06 Medical Treatment	364,392	190,280	554,672
1.07 Retirement Facilities	2,097,500	320,000	2,417,500
2 Office Operation and Services Expenses	2,284,027	3,187,101	5,471,128
2.01 Electricity & Water	229,554	76,937	306,491
2.02 Telephone	121,425	53,398	174,823
2.03 Other Services	255,249	1,333,950	1,589,199
2.04 Rent House	313,737	132,997	446,734
2.05 Maintenance	320,902	216,924	537,826
2.06 Stationery	122,164	81,908	204,072
2.07 Other Consumables	169,282	155,586	324,868
2.08 Printing	201,239	124,120	325,359
2.09 Books & Periodicals	20,148	19,053	39,201
2.10 Fuel Vehicles	168,630	113,902	282,532
2.11 Fuel Other	64,115	28,974	93,089
2.12 Medicine Purchase	135,690	689,681	825,371
2.13 Miscellaneous	161,892	159,671	321,563
3 Grants and Subsidies (Current Transfer)	11,436,738	4,485,157	15,921,895
3.01 Subsidy - Price	0	0	0
3.02 Subsidy - Operation	10,506,414	1,919,053	12,425,467
3.03 Subsidy - Other	930,324	2,566,104	3,496,428
4 Production Expenses	132,970	104,383	237,353
4.01 Production Materials	132,970	104,383	237,353
9 Contingency Expenses	1,792,418	2,069,906	3,862,324
9.01 Unallocated	1,792,418	2,069,906	3,862,324
10 Principal Payments	7,517,051	0	7,517,051
10.01 Principal repayment - Domestic	1,722,700	0	1,722,700
10.02 Principal repayment - Foreign	5,794,351	0	5,794,351
11 Interest Payments	6,596,968	0	6,596,968
11.01 Interest repayment - Domestic	3,670,699	0	3,670,699

Economic Heads and Expenditure Items	Regular	Development	Total
11.02 Interest repayment - Foreign	2,926,269	0	2,926,269
12 Refunds	204,260	0	204,260
12.01 Refund Expenditure	204,260	0	204,260
Capital Expenditure	1,339,422	37,922,924	39,262,346
5 Capital Transfer	172,937	287,130	460,067
5.01 Land Acquisition	92,937	287,130	380,067
5.02 Building Purchase	80,000	0	80,000
6 Capital Formation	1,118,361	17,189,363	18,307,724
6.01 Furniture	36,745	32,329	69,074
6.02 Vehicle Purchase	130,201	578,228	708,429
6.03 Machinery & Equipment	618,915	688,436	1,307,351
6.04 Building Construction & Capital Improvement	276,300	1,356,428	1,632,728
6.05 Civil Construction & Capital Improvement	56,200	14,533,942	14,590,142
7 Investment	48,124	11,545,127	11,593,251
7.01 Investment - Share	48,124	2,236,200	2,284,324
7.02 Investment - Loan	0	9,308,927	9,308,927
8 Capital Grants	0	8,901,304	8,901,304
8.01 Capital Grant	0	8,901,304	8,901,304
Grand Total:	49,321,941	50,470,278	99,792,219