

Beloved Sisters and Brothers,

1. His Majesty King Gyanendra Bir Bikram Shah Dev, in keeping with Nepalese Monarchy's glorious tradition of reigning as per the popular will, has taken a historical step on February 1, 2005 for the wellbeing of the nation and the people. With the objective of realizing the goals of His Majesty's step and achieving stability and progress through the restoration of peace, I am standing here today to present the budget for FY 2005/06.
2. His Majesty the King has promulgated Appropriation Ordinance, Fiscal Ordinance, National Debt Ordinance and Loan and Guarantee Ordinance for FY 2005/06 today. I will now present the major contents and inherent principles of these ordinances issued by His Majesty the King
3. Let me take this opportunity to inform you all about His Majesty's Government's firm belief that all democratic forces need to unite against terrorism and preserve multiparty democracy through the restoration of peace.
4. There is no disagreement that people want a meaningful exercise in democracy, an effective market economy, good governance, transparency and rule of law. As proclaimed by His Majesty the King, a meaningful exercise in democracy can take place only when people are given their share in the governance of the country, I want to reiterate that the priority of the present Government is to reactivate the multiparty democracy in the country through the restoration of peace and carrying out other necessary reforms within next three years.
5. This budget is based on the underlying spirits and the essence of His Majesty's historic February 1 proclamation, the 21-point program issued by His Majesty's Government, and the Tenth Plan objective of poverty reduction.

Brief Review of FY 2004/05

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6. GDP in FY 2004/05 is expected to grow by 2.0 percent with 2.8 percent growth in Agriculture Sector due to the effect of unfavorable weather and a very low growth of 1.6 percent in Non-agriculture sector mainly due to internal conflict. The average Price Index is expected to increase by 4.3 percent in 2004/05, which had increased only by 4.0 percent during the last fiscal year. Likewise, narrow and broad money supplies are expected to increase by 11.2 percent and 12.5 percent respectively.
7. Regarding foreign trade, exports during the first ten months of FY 2004/05 increased by 5.3 percent as compared to an increase of 7.2 percent during the corresponding period of FY 2003/04. There has, however, been a negative growth of 4.0 percent in imports during the first ten months of FY 2004/05 in comparison to a growth of 7.8 percent in the same period of FY 2003/04.

8. Due to the change in the composition of export/import ratio, the level of gross trade deficit has declined by 8.9 percent in comparison with that of previous year and the savings in current account is estimated to be Rs. 22.58 Billion at the end of FY 2004/05, which is 4.3 percent of Gross Domestic Product.
9. Total Foreign Exchange reserve in the Banking system is expected to be Rs. 130.33 Billion by the end of FY 2004/05, which seems to be sufficient to cover the cost of import of goods for 11.9 months and imports of goods and services for 9.7 months.
10. Regarding Government Finance, revenue collection in FY 2004/05 is estimated to increase by 14.7 percent totaling Rs. 71.32 Billion. Revenue collection, however, fell short of target due to the decline in overall trading activities.
11. The revised estimate of total expenditure for FY 2004/05 is Rs. 100.94 Billion. This total consists of recurrent and capital expenditure of Rs. 63.12 Billion and Rs 25.17 Billion respectively in addition to debt servicing of Rs. 12.65 Billion. Such expenditure in FY 2003/04 totaled Rs. 89.44 Billion with recurrent and capital expenditures of Rs. 55.55 Billion and Rs. 23.10 Billion respectively in addition to debt servicing of Rs. 10.79 Billion. Out of the total expenditure, development expenditure is estimated to total Rs. 34.67 Billion, which is more than 11.9 percent in comparison with that of FY 2003/2004. Despite unfavorable condition in the country, implementation of programs involving the communities have been encouraging.
12. Prior to the Tenth Plan, only about 1.5 percent of the Government budget used to be spent through the communities. According to the second evaluation of the Tenth Plan, such spending in FY 2004/05 accounted for about 6.0 percent.
13. The "Education for All" and Health Sector Program have been initiated from FY 2004/05 with the objective of achieving the Millennium Development Goals of the Education and Health Sectors by the year 2015. Accordingly, the level of annual investment in the Education Sector has been raised significantly to 16.05 percent of the annual budget. In the process of making school management more autonomous and responsible through the participation of the communities, 2015 schools have already been handed over to the local communities. Physical facilities have been improved and educational materials provided to ensure quality education to the students enrolled in 24,491 primary schools. Scholarships have been made available to all students belonging to backward communities enrolled from primary to higher secondary level schools. All children, between 9 months and 15 years of age, have been vaccinated against measles. Hospitals in the districts of Mugu and Dolpa have been brought into operation. Management of altogether 1515 health institutions in 25 districts, by adding 712 health institutions in FY 2004/05 alone, has been handed over to the local bodies.
14. Infrastructure works in 40 districts of the Kingdom have been carried out under the participatory approach with 10 to 20 percent contribution of the estimated cost by the beneficiaries. Construction of Katari - Okhaldhunga and Salyan - Musikot roads has been completed. Among others, construction of 251 kilometers roads

have been completed under various sections of the road projects including Surkhet-Jumla, Beshishahar-Chame and Musikot-Burtiwang.

Lesson learned from budget implementation in FY 2004/05

15. It is proper to consider the lessons learned from the implementation of the previous year's budget while formulating the budget for FY 2005/06. This can make budget more realistic and implementable. After reviewing the progress of FY 2004/05 budget, I am of the view that the following lessons can provide guidelines for the future and I have considered these lessons while preparing the budget for FY2005/06:
- Continuity and consistency is necessary for the successful implementation of development and reforms programs. Momentary weakness, short-term failures and problems should not deter the development process; instead consistent efforts towards implementation of reforms measures will bear expected fruits.
 - Effectiveness in the implementation of the programs and improvement in the quality of the service can be maintained if the involvement of the local communities in the resources is ensured and if they are empowered to implement the development activities and services locally. This warrants further devolution with enough resource in future.
 - Better results can be achieved through flexible and alternative implementation mechanism by addressing the obstacles immediately while implementing the program. Thus, flexible implementation modality must be emphasized in the future too.
 - Economic stability is the most essential factor to protect the whole economy from crisis. It is necessary to be alert in maintaining proper balance in our monetary and fiscal policies so as to prevent economic destabilization.

Present Challenges

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16. The Nepal Living Standard Survey, 2004, shows that the number of people living below the poverty line has declined to 31 percent from 42 percent in 8 years period. This is definitely a matter of satisfaction. However, the poverty trend analysis shows that the gap between the rich and poor has widened. Poverty rate has been higher in the rural areas compared to the urban areas. The rural areas are also directly affected by the conflict that has escalated in the last 10 years. Uplifting the living standards of the rural family affected by poverty and conflict and creating an equitable society are the challenging tasks ahead.
17. More than one decade has passed since we adopted the concept of open, liberal and market-oriented economy. The government has taken several measures to promote private sector and strengthen its managerial capability that include the privatization

of public enterprises and the promulgation of different laws for creating conducive investment environment. Better environment has also been created to attract foreign capital, technology and management. However, the private sector has not been able to perform to the expectations, in spite of government's efforts for the development of this sector. The present challenge is to make the private sector competent to take advantage from immense opportunities arising from liberalization and globalization.

18. The number of people displaced from their place of normal residence, leaving behind their property, economic and social activities, due to either physical and mental injury caused by violent activities or due to fear and terror, has been rising. There is a need to increase government's investment and enhance institutional capability to undertake measures to prevent displacement and to properly address the basic human needs of the displaced people and their rehabilitation.
19. Every year around 400,000 additional jobseekers are in search of employment in Nepalese labor market of which around two-thirds are unskilled. Public investment needs to be increased so as to provide these youths the skill and expertise as per the need of labor market.
20. Government expenditures for security and other ancillary purposes have been increasing due to escalating terrorist activities for the last ten years. At the same time, government has to meet increasing cost for the rehabilitation and reconstruction of public physical infrastructure and facilities as well as for the payment of compensation of property destroyed by the terrorist activities. On the other hand, there is a need to increase public expenditure so that level of spending for investment in the creation of new infrastructures supporting expansion of economic activities and also for programs directly targeting poverty reduction do not suffer. This situation has made public expenditure management a challenging task.
21. The latest statistics of FY 2004/2005 suggest that the economic growth rate of non-agricultural sector has been declining continuously as compared to agricultural sector. As a consequence of this, the growth rate of trade, restaurant and hotels, and construction sector has been negative. It is a challenging task to revitalize this economic sector by adopting effective measures for the promotion of economic growth of this sector.
22. It is vital to include gender equality and women empowerment into the mainstream of development mission of the nation and to promote access of women to means, resources and outcomes. It is the need of the hour to address the issues of mainstreaming women in the overall development paradigm.
23. The Nation can develop in true sense through the proportional development of all castes, ethnics, and communities residing in the country. Therefore, it is a challenge to empower and bring *Dalits*, *Janajatis* and neglected groups to national mainstream that have been deprived of development opportunities due to traditional social values.

The medium-term vision of the Budget

24. Against the backdrop of present challenges and the needs of the nation, the budget of FY 2005/06 has given continuity to the already initiated social, economic and governance reform policies and programs and has emphasized on the result-oriented actions. The main vision of this budget is to create foundation for prosperous new Nepal, within three years, by contributing to the political, social and economic sectors and by reducing the level of poverty. Mainly, in a period of three years:
- Peace will be restored,
 - Economic stability will be maintained in order to attain higher economic growth rate,
 - Representative political institutions will be reactivated through free and fair elections.
 - Infrastructure will be developed to make Nepal a transit economy between India and China.
25. The main mission of this budget is to put Nepal into a respectable position in the comity of nations by restoring peace, achieving prosperity and reactivating democracy by means of pursuing market oriented economy, adhering fiscal discipline, following public-private policy and protecting people's lives and property. This budget is guided by the broader goal of reducing poverty level to below 10 percent and meeting the Millennium Development Goals (MDGs).

Beloved Sisters and Brothers,

26. Now, I would like to present the objectives and policies of the Budget for the Fiscal Year 2005/06.

Objectives of the Budget:

27. In the context of the 10th Plan objective of poverty reduction through the improved social and economic indicators of women, *Dalits*, ultra poor and the backward class of the people by extending their access to resources and economic achievements made through the implementation of programs targeted for their empowerment, human development and social security, the main objectives of the budget are as follows:
- (a) To invest for the restoration of peace;
 - (b) To pave way for establishing private sector in a leadership role in the development of economic sector; and
 - (c) To improve the economic, human and social indicators of the ultra poor and deprived groups.
28. I have adopted the following strategies to achieve the above-mentioned objectives:

- Implement programs that win the popular support and confidence of the people to bring about an end to the terrorist activities.
 - Besides the government involvement in the development activities, give emphasis on the public-private and the government-people partnership, increase the participation of the private sector, NGOs, local bodies, and community organizations for the enhanced resources mobilization and their effective utilization.
 - Develop physical infrastructures and legal framework to prepare Nepal as a transit point between India and China.
 - Decentralize programs to the local level with resources to ensure the participation of grass root level people in resolving the local problems and ensuring their access on the achievements of development programs.
 - Implement the promotional as well as time-bound affirmative discrimination programs to create an inclusive society through the increased participation of the women, and the people from *Dalits* and backward communities.
 - Expedite the preventive as well as curative measures against corruption and develop a capable and efficient civil service free from political bias.
29. I have adopted the following budgetary policies on the background of the objectives and strategies mentioned above.
- An environment will be created whereby persons, who are presently armed against the nation and the people—and having involved in the criminal activities against the democracy and peace—would be brought into the national political mainstream peacefully.
 - Election of the people's representative institutions will be completed to re-activate the democratic system within three years.
 - Local level services, such as, education, health, agriculture extension and local infrastructure will completely devolved to local bodies with the provision of necessary resources.
 - Labor laws including others related laws will be amended, while providing continuity to the economic reform programs, to facilitate quick entry and exit of the private sector in the economic activities.
 - Construction and operation of the physical infrastructures, which are commercially viable, will be implemented with the participation of the private sector under Build-Own-Operate-Transfer (BOOT) approach.
 - Private sector participation will be promoted in the business activities of the monopoly Public Enterprises. The ownership of the people in the share capital of the potential Public Enterprises will be enhanced through the stock market.

Continuity will be provided to the privatization process of the selected Public Enterprises.

- Nepalese Diplomatic Missions abroad will be mobilized to attract the technology-mixed investments from the international economic systems and to protect Nepal's economic interest internationally.
- Investment on community-based implementation of development and construction programs will be increased in the districts of Northern areas and those lagging behind in Human Development Index. A special program will be implemented for the overall development of Karnali Zone.

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30. Now, I would like to present sector-wise policies and programs of HMG/N for F/Y2005/06. These sectoral programs are based on the medium-term expenditure framework and emphasize on the implementation of 21-point program of his Majesty's Government.

Assurance of Peace and security and Conflict Mitigation

31. Conflict and insecurity, engulfing the country since last 10 years, has cost to the nation an enormous amount of human life and property. Infrastructures built for the benefit of the people and properties and lives of the people have been destroyed. The morale of the whole government machinery will be enhanced for leading the country towards the democracy and progress by getting rid of the present situation of disturbance, insecurity, and conflict. Inclusion-oriented development programs will be launched. Discrepancy in the access to public services on the basis of class, caste or creed will not be allowed. An environment will be created whereby an unobstructed access of every Nepalese citizen to social, economic and political justice will be ensured.
32. The expenditure incurred in security will be transformed into the investment for peace. It will help in outreaching development program to the villages and completing as targeted. Besides, it will help in enhancing the national savings and investments, and protecting our physical infrastructures from the terrorists attack.
33. The State will guarantee to provide necessary training and income generating opportunities to those who want to enter into the national mainstream with a will to be back to productive lifestyle for the benefit of the people and the country by laying down the weapons and abandoning terrorist activities.
34. Income generating or infrastructure building programs will be carried out with the participation of the committees formed of the registered conflict affected people to provide relief and employment opportunities to them. An arrangement will be made for the unobstructed availability of basic public services to the displaced citizens. Free of cost vocational training will be provided to conflict affected Internally Displaced Persons (IDPs) to enable them for employment or self-employment opportunities. In addition, the IDPs will be given priorities in labor

intensive public construction works. Land revenue will be waived for the registered conflict affected people.

35. Intensive social mobilization and enabling programs focused and targeted to poor communities for their income generation, will be carried out through the Poverty Alleviation Fund in 25 districts lagging behind in the Human Development Index. A total of Rs. 508.1 Million has been earmarked for this purpose.
36. In order to bring about the balance in development among the Development Regions of the country, Rs. 400 Million has been allocated for the implementation of community-based special programs in 40 districts lagging behind in the Human Development Index. Similarly, Rs.611 Million has been allocated to the Rural Access Improvement and Decentralization Program and Rural Infrastructure and Livelihood Programs for carrying out construction of rural infrastructure, rural access development and livelihood related programs on a decentralized basis, will be implemented in places where the access to road facilities are minimal. Re-examination of regional comparative advantage will be carried out in this fiscal year 2005/06 with a view to developing a new Regional Development Strategy.
37. With the objective of strengthening the socially excluded people belonging to *Dalits*, deprived, oppressed and ethnic communities, arrangements of mobile service targeting such communities will be made and their access to scholarships, vocational skill trainings and basic and primary health services improved. Structural and institutional reforms will be carried out by reviewing and making the existing programs targeted to ethnic and indigenous people scattered all over the country more effective for raising their economic and social status so that they could lead a respectable and comfortable life.

Infrastructure for Commercialization and Diversification of Agriculture

38. Technical support will be made available for producing specific area suited agricultural products while implementing the programs targeted by the Agricultural Perspective Plan. Activities will be carried out to promote agriculture products as key export items by providing technology, infrastructure and market facilities to cultivate them as per the demand of border markets and gulf countries.
39. Special livestock programs targeted to *Dalits* and freed bonded laborers will be implemented in 22 districts in FY 2005/06. Technical and extension services will be delivered to initiate tea plantations in Okhaldhunga and Solokhumbu districts. Likewise, intensive programs to cultivate vegetables and spices as well as livestock farming will be implemented so as to get more benefit with the use of little land by mobilizing local NGOs, CBOs and SOs in Solokhumbu, Okhaldhunga Khotang and Bhojpur districts.
40. People residing close to the highway areas, due to the lack of knowledge and technology, have not been able to reap adequate economic benefits from the availability of road access. Highway Special Program, in line with the concept of 'one village one product' will be launched from FY 2005/2006 for the promotion of the cultivation of mushroom, potato and vegetable, citrus fruits, banana, guava,

ginger cultivation, sericulture, herbs, dairy farming and livestock rearing. Technology and infrastructure facilities will be provided to the landless farmers residing nearby the Highway areas for fish rearing in nearby rivers and natural lakes. Adequate fund has been earmarked for this program.

41. Using environment friendly technology, 10 cellars and cold storages each will be constructed under the Karnali Zone Special Agriculture Program for the promotion of apple and potato cultivation. Infrastructure will be developed for collection centers in Jufal of Dolpa, Chandannath of Jumla, Simikot of Humla, and Manma of Kalikot in order to provide an easy access of agricultural products of Karnali Zone to the market.
42. Necessary fund has been allocated to launch the viable agriculture program by targeting 50 thousand households covering 10 districts densely populated by the ultra poor, but not covered either by the Special Agriculture Program or the Poverty Alleviation Fund. District Extension Fund and Local Initiatives Fund will be extended to 20 districts from the present 6 districts in FY 2004/2005. An amount of Rs.230 Million has been earmarked for this purpose.
43. It is evident that the double track management system being adopted in 4 farms from 2003/2004 for the improvement of research, extension utility and production of government owned agriculture and livestock farms has shown positive results. This program will be further extended to 2 additional agricultural and livestock farms in FY 2005/2006. Similarly, three agriculture farms will be leased to agricultural cooperatives or private sector under the concept of people-government partnership. All the sheep farms will be leased, with necessary technical support, to private sector for commercial production of raw wool within the nation.
44. Since the agriculture infrastructures like irrigation, collection center, can be developed and operated effectively by the cooperatives, 150 pilot irrigation projects will be operated under the management of cooperatives in FY 2005/2006. Efforts will be geared up to handover milk chilling centers and dairy processing centers to the local Milk-producers' Cooperatives. Bheri Cold Storage to be managed by the cooperatives will commence its operation from FY 2005/2006.
45. Registration fees levied on the mortgage deeds up to a certain amount lent among their members by cooperatives to minimize the costs of micro finance program in the rural areas.
46. To ensure the competitive standards of agro products as well as processed food products for export promotion, arrangements will be made to strengthen the mechanism of quarantine and food lab, which is essential in the context of Nepal's accession to World Trade Organization (WTO). A sum of Rs 100 Million has been allocated for this purpose.
47. A system will be developed for the frequent interaction among research centers and farmers for the purpose of making the agro research more result oriented. A mandatory provision will also be implemented immediately to carry out research need assessment for a certain period every year on the spot by the researchers. Rs.

422 Million has been set aside applied research programmed to be implemented by Nepal Agriculture Research Council and National Agriculture Research and Development Fund.

48. The present policy of providing the interest subsidy to tea and floriculture business will be continued. Similarly, policy of providing 50 percent exemption in electricity charges for milk chilling centers will also be continued. Necessary budget is earmarked for livestock and cash crop insurance scheme.
49. A sum of Rs 3.810 Billion has been allocated for overall the agriculture sector, which is 61.7 percent higher than the revised estimate of FY2004/05.
50. The Water User Group's capacity enhancement programs will be strengthened to ensure regular maintenance works with the participation of the farmers in the areas where the irrigation facilities are available to increase the agriculture productivity. More emphasis will be given to the community irrigation projects for the expansion of additional irrigated area. In the FY 2005/06, Rs. 358.7 Million has been allocated for the maintenance of irrigation facilities provided in 280,710 hectares of land.
51. Irrigation facilities will be made available throughout the year in additional 19,000 hectares of land in 32 districts by completing the construction of 72 deep tube wells and 4,400 shallow tube wells. Similarly, in the FY 2005/06, the programs to repair and rehabilitate the farmer-managed irrigation systems will be implemented and the construction of new irrigation projects will be started in all districts of the eastern and central development regions.
52. To start the construction of Head Works and De-silting Basin of Sikta Irrigation Project, Rs.350 Million has been allocated.
53. The problem of loss of life and properties as well as barrenness of productive land caused by soil erosion, flooding, land slide and siltation, and untrained rivers is rampant all over the country. In FY 2005/06, Rs. 963.1 Million has been earmarked to implement the programs of river training and controlling the water induced disasters in 724 places inclusive of the targets like protecting the roads, acquiring the land at the river belts and minimizing the loss of life and property. This amount is 103% more than the revised estimates FY 2004/05.

Commercial Utilization of Forest through Community Ownership

54. To develop forest as an important base of national economy, as envisaged in Forest Development Master Plan, emphasis will be given to Leasehold Forestry for the conservation, protection and proper utilization of forest areas, soil and watershed management, conservation of botanical sources, herbs and bio-diversity and promotion of eco-tourism.
55. Nepal's Community Forest Management System (CFM) has been exemplary for other countries, too. The CFM system will be further strengthened and income-generating activities based on herbs and non-timber forest products, targeted to poor families, women, *Dalits* and suppressed communities among the forest user

groups, will be implemented. Leasehold forests will be handed over to *Dalits*, *Janajatis* and other lower income groups, falling below the poverty line, by mobilizing them through Non-Governmental and Community Based Organizations.

56. In accordance with the national policy of developing national forests of Terai and inner-Terai as productive forests, Collaborative Forest Management Program, for the scientific management of forests, will be continued.
57. As guided by the Tenth Plan's commitment of holding 40 percent forest area, forest area will not be provided for other purposes. But in case there is no alternative other than to use the forest area for the implementation of nationally prioritized projects, an arrangement will be made to allow use of such forest in exchange for the replacement land so that the total forest area does not reduce.
58. As per Nepal's commitment in World Trade Organization and Bio Diversity Convention, the inscribing of bio-diversity and traditional knowledge as intellectual property rights of Nepal will be done in a prioritized way.
59. Urban Forest Strategy will be formulated with the participation of local municipalities and other related organizations to increase the grandeur and greenery of urban areas including Kathmandu Valley and will be implemented in a phased manner.
60. I have allocated Rs. 1.91 Billion for the forestry sector program, which is 4.61 percent more than the revised estimate of FY 2004/2005.

Land Distribution and Utilization

61. The Land Bank will be established, on the basis of a recent study report, improve access of the landless farmers to land. The housing and employment programs will be integrated to Land Bank program by involving Rural Housing Company. Concessional loan will be provided to landless farmers to purchase land from the Land Bank. Long-term concessional loan will be provided through Agriculture Development Bank to the freed landless "Kamaiya" and tenants for the purpose of purchasing land in selected areas of Banke and Kailali district until the establishment of the Land Bank completes.
62. Families who had received land but could not use such land due to various reasons will be given substitute land under the "Resettlement Program". Different skill oriented training programs will be conducted to create income generating opportunities for the freed Kamaiya's families and concessional loan facilities will be provided through the groups to start income generating activities.
63. In order to end the problem of dual ownership of land, separation of ownership of such land between landlords and tenants will be completed by mid-April 2006 on the basis of the application submitted by the tenants and the landlords.
64. A sum of Rs. 790.09 Million has been earmarked for land reforms program.

Private Sector, Trade and Industry

65. In order to utilize the private sector's inherent competitive feeling and desire for innovation for the economic upliftment of the country, conditions favorable to the development of private sector to run economic activities in an unhindered way have been created by adopting open and market-oriented economy. However, our private sector has not been able to exploit the advantage accruing from the globalization of economic activities. Certain types of industries have surely been affected by conflict and insecurity. However, contrary to what the private sector is advocating, the economy is growing and, therefore, conflict is not the sole reason for the industrial sickness. In view of this, it has become necessary to implement effective policies by correctly identifying and addressing the causes of industrial sickness so that private sector can be developed to become efficient, competitive and effective economic power. The first cause of industrial sickness is to run a business from bank loan but use the income from business in purposes other than debt servicing or reinvestment. Many industrial and trading houses have become technically bankrupt due to the tendency of mixing personal finance with the business finance. The second cause of industrial sickness is the inability of private sector to modernize the technology or to introduce new technology for producing quality goods and services in a cost-effective manner. A private firm or a business run under family control does not normally prefer to introduce new technology requiring professional manpower for fear of losing control of the business. The third cause of industrial sickness is the inability of businessmen to easily exit as soon as the symptoms of business crisis develop and get trapped into additional financial crisis. The fourth cause of industrial sickness is the absence of reasonable institutional support to overcome short-term financial crisis resulting from trade cycle or the recession affecting the economy as a whole. Although there are also other causes of industrial sickness, I would like to address these four through appropriate policy measures in this budget.
66. The present rate of business income tax has been changed to encourage business enterprises to convert to more transparent form of incorporation so that the family finance is kept separate from the business finance. From now on, public limited companies listed with the Stock Exchange will have to pay corporate income tax at a rate 2 percentage point less than the rate applicable similar business.
67. Public limited companies, which cannot themselves invest for research on new technology, will be allowed to deduct grants given to any university in Nepal for research as their research and development expenditures for tax purposes, This arrangement will help companies to develop new technology with the co-operation of universities; while on the other, it will make economic resources available to universities for enhancing their research capability. In addition to this, the restriction on equity participation for technology mixed foreign investment will be completely lifted so as to encourage the import of advanced foreign technology.
68. In order to facilitate foreign capital and technology import, suitable amendments in the law will be effected to remove from the negative list of 23 industries mentioned in Foreign Investment and Technology Transfer Act. Such industries include film

industry, retail business with the participation of multinational chain, travel agency, trekking agency, water rafting, pony trekking, horse riding, alcohol and cigarette, tourist resorts, and management, accounting, engineering and legal consulting business.

69. In order to provide additional attraction to foreign investment, legal provisions will be made to remove woolen carpet, pashmina and machine dyeing from the list of cottage industries.
70. In order to ease entry and exit in all sorts of business, the Insolvency Act will be made effective to remove the present difficulties in exit from business. Similarly, labor law will be amended to eliminate the present hurdles.
71. The present sick industries re-financing facility, provided to industrial establishments facing financial crisis as a result of short-term business disorders or the recession in the whole economy and which can improve through financial restructuring, has not been effective. From FY 2005/06 an "Industrial Rehabilitation Fund" will be established on the basis of feasibility study. A special provision tourism industry within the framework of Rehabilitation Fund. In this regard, Ministry of Finance will soon bring out a detailed concept paper for stakeholder consultation and the fund will be established after preparing a legal framework.
72. As per His Majesty's wish to develop Nepal as a transit point between China and India, His Majesty's Government will initiate the construction and upgrading of seven additional high-ways connecting North-South border from FY 2005/06. This approach of developing transit point will provide new avenues to the private sector for additional investments. In this context, public-private partnership and Build-Own-Operate-Transfer (BOOT) approaches will be followed. Under such approaches, initiatives will be taken for the construction of Birgunj-Kodari and Kakarbhitta-Mahendranagar electric railways, Passenger and cargo cable cars in Hetauda-Kathmandu sector and other areas will also be open under BOOT scheme.
73. Assistance received by Nepal under the Integrated Framework from the multilateral agencies will be utilized in order to make Nepalese private sector competent to take overall benefits from Nepal's membership in the World Trade Organization. In addition, Acts, Rules and Policies will be improved, revised and formulated in a timely manner pursuant to the commitment made by Nepal at the time of accession to WTO. Likewise, collaboration with the private sector will be deepened in order to make the Nepalese private sector competent to take full advantages from the World Trade Organization, regional level trade treaties and arrangements. Necessary adjustments have been made on the customs rates pursuant to the International and Regional Trade Treaties. I believe that this will help increase the transactions of the private sector with the reduction in costs.
74. Consistency will be maintained on the qualities of Nepalese exportable commodities like tea, coffee and *pashmina* by encouraging the entrepreneurs to use "Common Mark".

75. With a view to help the private sector in reducing the cost of international trade, the 12 km. long (approx.) alternative road connecting the dry port of Birgunj and Parwanipur will be constructed in FY 2005/06. Likewise, the 29 km. long (approx.) Belhiya (Bhairahwa)-Parasi road connecting to the highway will be upgraded and dry port will be constructed in Kakarbhitta Customs.
76. Physical infrastructure development work will be initiated on the land allocated for the construction of Special Economic Zone in Birgunj in order to take more benefits from the dry port located at Birgunj and promote third country targeted exports. Export Promotion Village will be established for the production and promotion of high valued ornaments, artistic materials and electronic equipment that can be exported through aircrafts. Bonded warehouse and cold storage will be constructed at the Tribhuvan International Airport in order to facilitate the exports of low weight and high valued commodities such as vegetables, fruits, etc.
77. In order to attract investment in specific export processing zones and special economic zones and to promote export, downward adjustment in the present income tax rate has been made. The same arrangement will be made in information technology industry and export trade as well. By this new arrangement, I believe, investment in those sectors will increase, resulting in new employment opportunities.
78. Share listing of Nepal Telecom Company and the policy to encourage private companies to get transformed and get listed as public limited companies will definitely make various investment instruments available in share markets. In order to diversify the investment instruments available in share market, the government will encourage issuance of bond and listing of companies. The government will encourage mobilizing fund through bonds in power-generation and business oriented infrastructures.
79. An ordinance will be issued regarding Non-Resident Nepali. In Fiscal Year 2005/06, a conference of Non-Resident Nepali will be organized and on the basis of suggestions drawn, further improvements will be made accordingly.
80. After the enactment of International Financial Transaction Act in 2054 B.S, no significant task had been accomplished to develop Nepal as an International Financial Center. In Fiscal Year 2005/06 promotion committee and implementation committee provisioned in the Act will be made active. Emphasis will be laid to develop necessary infrastructures in order to develop the country as International Financial Center.
81. Government support is needed and government must support in the situation, where the commodities of basic needs including food remains out of the reach of extremely poor population due to the weak market mechanism and lack of road infrastructures. With this concept in mind, I have increased transport subsidy for food in order to provide food security in the food deficit remote districts. The subsidy has been increase by 23.98 percent in FY 2005/06. Likewise, in order to control disease related to iodine deficiency, the amount of transport subsidy given to iodized salt in designated districts has been increased.

82. According to the policy taken by the government to liquidate/privatize/improve in the management of public corporation, private sector will be gradually included in the transactions carried out by Nepal Oil Corporation. Arrangement will be made to set pricing of the petroleum products according to international market price based on the formula of automatic pricing. Private sector will be involved in the management of the corporation. Companies like National Construction Company and Nepal Drilling Company, which are unable to secure place in competition market, will be liquidated. Nepal Industrial Development Corporation and Lumbini Sugar Mills will be privatized. The study report on RNAC submitted by International Civil Aviation Organization will be reviewed and the process of privatization of Royal Nepal Airlines Corporation (RNAC) will be pushed forward accordingly. Five percent and 10 percent share of Nepal Telecom Company Ltd. will be sold to the employees of the Company and to the public respectively through the stock exchange. Amendment to the Privatization Act, 2050, has become necessary after the delay encountered in the process of privatization of Birgunj Sugar Mill, Hetauda Textile Industry, Nepal Coal Limited, Cottage and Handicrafts Sales Emporium and Himal Cement Company. For this, necessary amendments to the Privatization Act will be made.

Infrastructure for Economic Growth: Roads, Electricity and Communication

83. With a view to enhance the economic and social lives of the peoples, an additional 244 km of roads -- including metallic, graveled and earthen -- will be constructed. Moreover, 136 km roads will be rehabilitated, 25 km roads will be upgraded, periodic maintenance of 295 kilometers will be carried out and 25 small and large bridges will be constructed. Besides, periodic, occasional and regular maintenance of 4000 km roads will be carried out.
84. Six district headquarters of Darchula, Bajhang, Jumla and Kalikot will be linked with roads; an alignment survey will be conducted in districts of Karnali zone namely, Mugu, Humla and Dolpa, which are yet to be connected by roads.
85. Gravelling will be started for upgrading of Terathum (26 km) and Bhalubang - Pyuthan (69 km) road under the Rural Development Program.
86. In line with developing Nepal as a transit point between China and India, construction of modern roads linking all possible transit points from east to west will be given a momentum in FY 2005/06. Under this program, construction of a total of seven highways, namely, Bramahapur Mandi (Kanchanpur) -Tinker, Jamunia - Hilsa, Belhia- Lohamathanka-Ghoktang, Birgunj-Rasugadi, Bhattamod-Lamabagar-Lapchegaun, Rani Biratnagar-Kimathanka and Kechana-Olangchunggola-Dharila Bhanjyang, will be initiated. Upgradation of present roads linking Birgunj with Kodari via Kathmandu, will be initiated.
87. I have allocated a sum of Rs. 5.57 Billion for the overall programs of the Roads Sector. This amount is up by 8.85 percent as compared to revised estimate of the last fiscal year.

88. Construction of 70 megawatt Middle Marsyangdi Hydroelectric Project has been delayed due to frequent obstructions. A sum of Rs.2.79 Billion has been earmarked for FY 2005/06 in order to complete the project in accordance with new operations calendar.
89. A total of 100 rural areas will handed over to the community electricity distribution cooperatives in FY 2005/06 under rural electrification and distribution programs initiated under "Rural Development a Basis for People's Ownership". An additional 45,000 rural households will be benefit from this program. I have provisioned Rs.1.48 Billion for this and other rural electrification programs.
90. In pursuance of the policy of providing alternative energy sources to the places of non-access to electricity and other services through the National Grid System, 18,000 bio-gas plants will be constructed in 65 potential districts of the Kingdom. In addition, micro-hydro plants of installed capacity of 2,075 kW of electricity will be constructed in different districts. Likewise, activities will be carried out for the supply of 150 solar dryers and cookers, 526 institutional solar energy systems, 132 institutional solar electricity pumps, together with the improvement of 1,200 water mills, and connecting improved stove in 40,000 households.
91. Necessary preparations will be made to start the construction of Upper Tamakoshi of 302 MW capacity and Upper Modi "A" of 42 MW with the joint investment of Nepal Electricity Authority and the private sector.
92. On the one hand, there is the situation of high liquidity in the market and decreasing interest rate in the local finance market. On the other hand, additional hydroelectric projects need to be completed soon as the demand for electricity is growing day by day. Nepal Electricity Authority will issue 20 to 30 years power bond by FY 2005/06 to construct new projects. By this, I believe that the companies operating retirement fund, insurance companies and general public will get appropriate investment mechanism.
93. In order to make favorable environment for utilizing the right to information guaranteed by the Constitution, the situation will be created for access to information for all. Legal and policy environment will be created to operate postal service by diversifying it to run according to E-Post concept.
94. The budgetary arrangement has been made to increase 25 percent salary of the staff working as representatives, distributors and postmen in Additional Post Offices and Area Post Offices under the Department of Postal Services. I believe that such an arrangement will help in improving the efficiency in postal distribution system by motivating the postal representatives, distributors and postmen.

Tourism

95. In order to promote the image of tourism sector of Nepal in national and international level, emphasis will be given to the development of tourism. For this, foreign tourism journalists, tourism writers, tour operators and documentary producers will be invited to Nepal through Nepal Tourism Board for making

documentaries, news, travel documentary etc., related to Nepal and make arrangements for the publicity through the foreign information media.

96. Promotion of religious tourism will be emphasized to attract Hindus and Buddhists to Nepal. In order to promote religious and regional tourism, special promotional activities will be carried out in the countries like India, China, Thailand, Singapore, Malaysia, and Sri Lanka through the Nepal Tourism Board.
97. A Ten Year Work Plan prepared for the improvement and conservation of the World Heritages of Kathmandu Valley at risk will be implemented in coordination with the local bodies.
98. Necessary land will be acquired and developed within FY 2005/06 to develop a 3,000 meters long run-way for landing and take-off of Wide-bodied Aircrafts at Gautam Buddha Airport of Bhairahawa,.
99. Talents like literary figures, artists, musician and actors are the Nation's assets. National Talents Treatment Fund operated since last fiscal year by Royal Nepal Academy for the treatment of such persons suffering from illness is given continuity. Likewise, necessary budget has been allocated for the management of tri-statue of poets Lekhnath Paudyal, Laxmi Prasad Devkota and dramatist Bal Krishna Sama.

Settlement, urban development and environment

100. The Government will introduce the Legal framework for the Real Estate transactions and will implement accordingly in participation of the private sector and local bodies. Legal provisions will be made for the establishment of Kathmandu Valley Urban Development Council for its sustained and long term development in a coordinated and effective manner. Legal provision will be adopted for the construction of buildings based on earthquake resistant building technology guided by the building code in order to minimize the possible loss of people and property in the urban areas.
101. Loans up to an amount of Rs 10,000, borrowed by the earthquake affected families for the construction of houses, were totally written off in FY 1998/99. Many of such families, however, have not been able to repay the loan yet. Provision, therefore, has been made for the completely write off such loan meant for basic housing by those affected people.
102. Urban and Environment Improvement Project under implementation in the six municipalities- Dhulikhel, Panauti, Banepa, Hetunda, Ratnagar, and Bharatpur - will also be extended to cover Bidur and Kamalamai municipalities.
103. Use of electric transport system on the one hand, saves foreign currency by enabling imports cut backs, while on the other, it helps curbing urban pollution as well. A provision for the further reduction in customs duty on electric transport vehicles has been made to encourage the use of such system.

Employment Promotion

104. Arrangement for employment will be made by making necessary provisions of training and loans to resolve the problem of unemployment by exploring foreign employment opportunities including identification of the domestic employment opportunities as well. The training programs, which are scattered under The Council for Technical Education and Vocational Training (CTEVT), Ministry for Labor and Transport Management, Ministry of Industry, Commerce and Supplies, and Ministry of Women, Children and Social Welfare, will be conducted while avoiding duplications. Such training programs will be reviewed to make them compatible to the requirements of domestic as well as international employment opportunities. The *Dalits*, *Janajatis*, and women will be given high priority to such programs.
105. Continuity has been given to the provision of seed money for foreign employment loan programs aimed at providing loan for foreign employment seekers. The program will bear up to 80 percent of the total expenditure incurred while seeking foreign employment. In addition, in case of conflict affected people, the remaining 20 percent will also be provided as a loan from the Fund for Terrorism Affected People.
106. The provision of advance income tax on service charges has been reviewed to curb the malpractices of Manpower Companies while making payments abroad. And, arrangement for foreign currency exchange facility has also been made.

Education and Human Resource Development

107. The block grant system based on the number of students has been continued for all public primary schools under the school reform plan so as to make timely availability of free of cost text books to all school children, basic teaching and learning materials for the enhancement of quality education, and encourage participation on the extra curricular activities. For this purpose, Rs 1.04 Billion has been allocated.
108. The outcome of school enrollment campaign in the academic year 2005 has been encouraging. However, physical facilities, human resources and learning materials and text books have not available in proportion to increase in the enrollment rate. For this purpose, 5,098 new class rooms and 150 quality school buildings will be constructed in FY 2005/06. Three hostels in the Himalayan region and Resource Centers in 44 different places will also be constructed. An allocation of Rs 1.64 Billion has been made for the school level physical facilities. A total of Rs 184.5 Million has been allocated for the additional teachers in proportion to the enrollment rate. In addition, Rs 863.3 Million has been allocated for all types of scholarships. All *Dalits*, disadvantaged, marginalized and backward communities including the handicapped and children of Karnali Zone will have ample opportunity for free education through this new provision.
109. Additional 6,000 Children Development Centers will be established for the overall development and enhancement in the academic achievements of primary level

students. For this to make happen, efforts will be initiated with the partnership of NGOs, local communities and schools, for which Rs 230.0 Million has been allocated.

110. I have made provision of grant of Rs 85.7 Million for the community managed 1905 lower secondary schools and Rs 67.7 Million for 967 secondary schools being managed by the community, but lacking adequate teachers for long. The provision of the government contribution equivalent to two teachers' salary will also be continued.
111. Provision of special scholarships of Rs 2,000 has been made, for two years from this fiscal year, for girl students of 22 remote districts passing SLC and pursuing higher education from the community schools of the Kingdom. This provision will encourage the girls from the poor communities of the remote areas to seek quality education from local schools for their higher education opportunities. The detailed procedures regarding this provision will be made public by the Ministry of Education and Sports within July-August 2005. The provision of encouragement grant of Rs 400,000 to rural schools securing satisfactory results in SLC examination has been continued with some revision.
112. In order to minimize the number of failures in SLC examination from the rural areas, special classes in compulsory English, mathematics and science, targeted to the class 10 students, will be broadcast on the television and radio from FY 2005/06. For this, audio-visual materials will be produced and made available.
113. Feasibility study will be carried out to integrate school education by changing class 1 to 8 into primary education and class 9-12 into the secondary education for making structure of school education timely and for integrating school education.
114. Special arrangement will be made to bring the traditional religious schools, such as, *Madaras, Gumba, Gurukul*, into the mainstream in pursuance of the spirit of Education for All.
115. Additional 2,000 schools will be handed over to the local communities to make schools responsible towards the communities and enhance transparency by maximizing the utilization of available resources.
116. Since the students from ultra poor families have been attracted to schools through the availability of food-for-education program and distribution of edible oil to the school girls, these programs have been continued.
117. Rs. 135.3 Million has been allocated for the implementation of intensive literacy program in 15 districts.
118. The public library established in Kathmandu in FY 2004/05 will be developed into a high standard library.
119. Educational curriculum will be updated to provide qualitative and useful to life education to meet the national aspirations and needs of the country. Information technology education will be incorporated into the school education system.

120. An Umbrella University Ordinance will be brought out soon to manage higher education.
121. Sports and Scouts program will be extended to the school level to enhance extra-curricular activities.
122. I have allocated Rs 21.05 Billion to implement the policies and programs of the education sector. This is higher by 31.26 percent compared to the revised estimate of last FY 2004/05. I believe that the increased investment in the education sector will help meet the Millennium Development Goals in the Education Sector.

Health and Drinking Water

123. Operation and maintenance responsibility of 18 district hospitals will be handed over to the District Development Committees to enhance the quality of health services through community management. As a continuation of previous year's program sub-health posts and primary health centers of additional 10 districts will be handed over to the local communities. District Development Committee, the local communities, or the District Public Health Office have been authorized to appoint health workers in the vacant positions according to the rules set forth by the ministry of health.
124. The current medicine supply system at the local level will be improved. I have allocated sufficient amount to operate community dispensaries in additional 9 districts and to establish a revolving fund of Rs. 200,000 in each primary health center of the remaining districts.
125. Healthy Life Promotion Programs will be launched by the users' committees to promote environmental cleanliness in 442 VDCs of 14 districts containing low Human Development Index. Under the program, a grant of maximum Rs 50,000 to each VDC will be provided adding the sum on top of the contribution made by the users' committees.
126. A regional hospital will be constructed in Surkhet to avail health services with modern facilities to the people of Mid-western Region. To this, I have allocated Rs. 137.2 Million. Rolpa and Rautahat District Hospitals will be reconstructed within this year. Additionally, I have allocated Rs. 760 Million for the construction and improvement of different hospitals as well as for the construction of demand based sub-health posts in 150 VDCs throughout the Kingdom.
127. Two maternity wards will be established in 25 health centers in the districts lagging behind in Human Development Index. Maternity waiting rooms will be constructed in the public hospitals of 10 districts. Similarly, an amount of Rs. 200,000 each will be provided to 66 district hospitals for medical to equipments procurement.
128. The infection of HIV/AIDS has been expanding due to unprotected sexual activities, illiteracy and drug addiction. AIDS and Sexually Transmitted Disease Control Program will be launched in 16 districts to check such incidence.

129. It has been experienced that the number of leprosy patient is still high. As a campaign to eliminate leprosy, door-to-door treatment program will be launched in 400 VDCs in the leprosy affected parts of the country.
130. It is found that in Nepal, more than 70 percent children die due to measles, diarrhea, pneumonia, malaria and malnutrition. Integrated Child Disease Prevention Management Programs will be launched in 31 districts by extending the program in additional 6 districts to save children from the spread of such diseases.
131. In rural areas situation is such dire that people either have to sell their homes and land to get the treatment or be ready to die without any treatment. In order to avoid this situation, community health insurance policy will be implemented in six districts.
132. A provision has been made to provide 20 percent discount to students on the registration and pathology services in public hospitals. Similarly, school health program will be launched in one district each of five development regions as experimental basis.
133. I have allocated Rs. 7.68 Billion for health sector. The allocation is higher by 51.15 percent compared to the revised estimation of last fiscal year.
134. District level drinking water projects, being implemented in phase-wise manner, will be accorded special priority and a total of 168 drinking water projects will be completed in FY 2005/06. Similarly, program has been set to complete the ongoing projects within next two years. This will provide basic drinking water facilities to additional 188,000 people.
135. Of the 23 schemes under phase 1 and phase 2 of the Small Town Drinking Water and Sanitation Project, 9 schemes will be completed and potable drinking water facility will be available to 136,000 people. A total of additional drinking water schemes in 9 small towns will be initiated while providing the continuity to the cost recovery principle.
136. As a continuation of policy of handing over the operation and maintenance works to the user groups, 40 projects completed and owned by HMG will be repaired as necessary and handed over to user groups in FY 2005/06. Projects damaged by the natural disaster will be maintained and rehabilitated by utilizing available resource at its optimum level.
137. The present water source of Tansen municipality is costly, and the quantity of water is also decreasing. As alternative drinking water project will be launched in this municipality from a new source. In order to distribute additional 30 Million liters water in Kathmandu, existing distribution system will be improved and water supply will be augmented from additional sources.
138. With a view to accelerate the implementation of Melamchi Drinking Water Project, an amount of Rs. 1.52 Billion has been earmarked for FY 2005/06 for the construction of adit access road and power grid extension.

Women and Children

139. In order to implement Nepal's commitments towards the gender equality at national and international forums, a Gender Responsive Budget Initiative has been started from this fiscal year. This will make the public expenditures gender responsive. Arrangement has been made for the establishment of a Gender Responsive Budget Committee at the Ministry of Finance in order to institutionalize gender responsive budget. I believe that this will contribute towards the overall development of women with the inclusion of pro- women programs in the national budget.
140. The government is sensitive towards the violence against women in the workplace and it will adopt a policy of "zero tolerance" towards the violence against women.
141. Letters of appreciation will be provided to those organized institutions that employ more than one third of women out of their total workforce.
142. I have given continuity to the programs like economic empowerment, gender mainstreaming and reproductive health program, inclusive program for women of the excluded class and special program for *Badi* women for their social and economic empowerment from all aspects. The programs have been revised with an emphasis to implement these programs at the district level to the maximum extent possible.
143. The provision of exempting the land registration fee for women introduced last fiscal year has shown positive results towards raising the level of ownership of women on property. This provision has been continued with further increase in the rate of exemption.
144. Programs will be implemented to ensure the physical, intellectual, social and psychological development rights of the children and protect them from all kinds of exploitation and discrimination. Likewise, a mechanism of providing institutional protection and development of conflict-affected children will be implemented.
145. Employment oriented training will be organized for the disabled persons in order to make them self- reliant by providing services, facilities and equal opportunities. In this context, institutional grants will be provided for the implementation of community based rehabilitation programs.
146. Life of the senior citizens will be made comfortable and respectable by mobilizing the local bodies and communities in their care taking, rearing and health care. Senior Citizen Work Plan will be brought out within the FY 2005/06 for implementation. Such Work Plan will include the programs related to providing social security to the senior citizens, utilizing their skills, experience and knowledge in nation building and rehabilitating poor and homeless people. In addition, activities will be carried out in respect of senior citizen's health care program, capacity development of the senior citizens, income generating program implementation grants, research programs related to senior citizens, survey of elder homes and training curriculum development for the caretakers of the elders/senior citizens.

147. Rs. 395.3 Million has been allocated for Women, Children and Social Welfare, which are 24.50 percent more, compared to the revised estimate of last Fiscal Year.
148. An umbrella Trust Act will be drafted in FY 2005/2006 in order to facilitate the implementation of programmes related to poverty alleviation, education, health, social welfare, women, children, *Janajatis*, *Dalits* and upliftment of disadvantaged groups including infrastructure building for economic development.

Rural Infrastructure, Decentralization and Devolution

149. Reinstatement of democratic process through election is the priority of this government. In this process necessary allocation has been made to hold elections in municipalities in FY 2005/2006.
150. As per the Local Self Governance Act, devolution of full responsibility to the local bodies in education, health, agriculture extension and local infrastructure will be completed in at least 14 districts in FY 2005/2006 with the provision of conditional grant. The government officials related to the devolved functions will be deployed on deputation in the respective District Development Committees (DDCs) and arrangement will be made so that respective DDCs themselves can fulfill such posts as soon as they are vacant. This will enable the local bodies to enjoy additional resources and authority thereby contributing to increased participation of local people in service delivery.
151. In all districts of Karnali Zone development works cannot be implemented in winter season due to unfavorable weather condition. Whereas in other seasons particularly towards the end of the fiscal year the allocated amount gets frozen. To solve this problem, from FY 2005/2006 onwards an arrangement will be made so that the amount allocated for the development programs in all the districts of that Zone remains unfrozen.
152. In order to strengthen the decentralized governance system through increased capacity development of the local people, I have made provision for the implementation of Community Based Rural Development in 787 Village Development Committees of 65 districts. Rs. 275.9 Million has been allocated for this purpose.
153. Under the Food for Work Programme, 400 km of rural roads will be constructed this year through User Committees in 25 conflict affected and food deficit districts. For this Rs. 343.9 Million has been allocated.
154. Construction, extension and regular maintenance works of agricultural roads under the Agricultural Perspective Plan will be continued to ease access of farmers' product to the market. Under this programme maintenance and upgrading of 300 km dirt roads, 100 km gravel road and 1,200 km road will be carried out throughout the Kingdom. Under this programme, priority will be given to the roads falling under the District Periodic Plan.
155. Construction of 50 km road, 75 km mule tracks, 10 suspension bridges and opening of track for 200 km road will be carried out in Sankhuwasabha, Bhojpur, Khotang,

Achham, Dailekh and Doti districts under the Rural Access Programme. I have made the provision of carrying out public awareness activities and development of local entrepreneurship side by side during the implementation of these programmes. Rs. 300 Million has been allocated for this purpose.

156. Rs 84.2 Million has been allocated to improve the income level of the people of 8 districts of Western Upland by implementing programs through the development of infrastructure, lease hold forestry, herb garden, livestock and agriculture production and flow of soft loans through micro credit
157. Rs. 6.96 Billion has been allocated for the local development programmes in FY 2005/06, which is 42.8 percent more than the revised estimate of FY 2004/2005.

Good Governance and Human Rights

158. Public Service Delivery Manual, 2061 containing basic information on displaying citizens' charter, handling grievances and serving the first comers first has been issued with the intention of making public service delivery effective. In order to simplify the service delivery mechanism, an arrangement of a high level monitoring will be devised. Accordingly, the Prime Minister's Office and Cabinet Secretariat have made provisions for the periodic monitoring of first priority projects and matters of public concern.
159. A policy of affirmative discrimination will be formulated and implemented to give due representation to women, dalits and ethnic groups in the public administration. Arrangements will be made in the civil service for improving monetary and non-monetary benefits. Likewise, grievance handling will be arranged to enhancing the motivation of civil servants and to keep up their morale.
160. In order to increase the overall efficiency and career development of civil servants from recruitment to retirement, a task of a preparing a transparent plan will be initiated through developing manuals. In order to maintain a high level of management competence in the civil service, leadership evaluation system will be initiated. Governance Act will be brought into implementation to define by the Act itself the tasks, rights, duties and roles of civil servants.
161. Efforts to improve the service delivery standards of civil service have been made through the use of citizens' charter, service delivery manual, etc. However, sufficient improvements have not been noticed in the efficiency of government units and their responsibility to the stakeholders. In order to improve it from FY 2005/06, it will be made mandatory to the secretary of each ministry to fix Monitorable Performance Indicators for all units under him before mid-August and to decide on the punishment, reward and performance evaluation based on these indicators. The work performance incentive fund, now being implemented under experimental basis in the Ministry of Agriculture, will be extended to other ministries as well.
162. If any serving government employee is injured during any encounter, attack or during combat operation then Employees Provident Fund will provide, through its

Welfare Fund, a monetary compensation on the basis of level of injury and impairment. I hope this arrangement will give additional relief to the provident fund contributors.

163. Rs.840.7 Million has been allocated to court administration including court strengthening this year to support in justice delivery through increasing physical facilities for the court. This is 24.58% in excess of the amended estimate of last fiscal year.
164. Nepal has become a signatory to the Anti-corruption convention of the UN. Nepal is committed to implementing the objectives of the convention. In this context, the present law, policy and strategy in relation with the area of preventing corruption will be revised and new laws will be drafted.
165. In the course of the gradual implementation of the suggestions of the High Level Pay Commission, 2061, the 20% special allowance has been adjusted in the pay scale. This increase in salary will provide relief to the retired civil servants as well. In consideration of the difficulties faced by government pensioners of ripe old age, 10% increase will be made in the pension received by those who reach 85 years of age.
166. All the civil service employees recruited from FY 2005/06 will be included under the contributory pension scheme. This system will be extended to all civil services and the agencies dependent on government grants. An arrangement has been made to refrain the retired civil service employees from receiving double benefits if they are recruited in a position where they get remuneration from the government.
167. His Majesty's Government is making every effort to prevent human rights violations. Human rights action plan will be implemented more effectively for the protection and promotion of human rights.

Economic Reforms

168. Keeping in view the policy of Nepal Rastra Bank to gradually reduce the priority sector loan programme within 5 years, and considering the likely decrease in the rural credit made available by this programme, arrangements will be made to convert the Nepal Rastra Bank managed rural self-reliance fund to the national micro-credit fund.
169. Various types of micro-credit programmes will be implemented to develop micro-credit as an instrument of self-employment and income generation through extending it to the deprived and subsistence class of people. In this context, from the beginning of the current fiscal year, micro credit policy, 2062 will be enacted. At the same time, a high-level national micro-credit development council will be established. Similarly, Micro Finance Act will be drafted to bring micro credit organizations and community based organizations (CBOs) within the scope of a single legal framework.
170. It is found that the imposition of tax on interest to the rural depositors with small savings in the micro finance institutions increases the overhead cost of these

institutions and the government does not gain much from such tax. Arrangement has been made to provide relief to small depositors who have deposited their money in the rural micro finance institutions.

171. Financial Sector Reform Program will get continuity since positive outcomes have been visible from restructuring of Nepal Bank Limited and Rastriya Banijya Bank, re-engineering of Nepal Rastra Bank and the financial capability enhancement. The restructuring program will be continued until both the banks are fully privatized.
172. Recommendations of the committee formed by His Majesty's Government regarding the actions against the willful defaulters shall be implemented by strengthening the existing institutional mechanism in order to maintain banking discipline. It is necessary to bring improvement in the attitude of the banks that fail to take necessary caution at the time of loan investment and also do not properly monitor the loan projects. For this purpose, regulatory and monitoring system will be strengthened and all banks will be required to follow good banking practices.
173. Among problems of debt recovery in the current financial market, lack of an institutional arrangement to evaluate financial credibility of the debtors is one of the reasons. A separate entity will be established in order to prepare standards of measuring the level of credibility of paying debt of those willing to carry out business by taking loan from the financial market.
174. Nepal Rastra Bank will continue restructuring Rural Development Banks. The second phase of the privatization process of Purwanchal Grameen (Eastern Rural Development) bank making profit after organizational reform, is still continued. Likewise, other rural development banks earning profits will also be gradually privatized. In the context of already privatized 51 percent premium share out of 61 percent share owned by Nepal Rastra Bank in the western rural development bank, process will be initiated in the coming year to privatize government owned shares in that bank.
175. Remittance income from foreign employment has supported to keep the economy in balance. In order to further encourage the foreign employment in the current year, arrangements will be made to provide loans from the commercial banks for those seeking foreign employment, on the guarantee of Credit Guarantee Corporation.
176. Agricultural Development Bank will be registered as a company under the Companies Act and will be developed as a development bank capable of investing in industries and infrastructure development projects.
177. Just as the provision of regulatory authorities for commercial banks, financial institutions, cooperatives and insurance companies operating in financial sector, legal arrangement for the creation of regulatory authority, for Employees' Provident Fund, Citizens' Investment Trust and Postal Saving Bank and agencies engaged in the trusteeship of Pension Funds, will be made.

178. Midterm evaluation of 10th Plan will be carried out and the consultation will also be initiated with all stakeholders for developing the approach paper for the preparation of the 11th plan.
179. The process of Immediate Action Plan will be continued in FY 2005/06, which has been used effectively to implement the immediate reform programs for the last three years. The practice of preparing Medium-term Expenditure Framework has substantially helped improving public expenditure management. The MTEF process will further be strengthened by introducing austerity measures and also by enhancing the productivity of public expenditure. The recommendations of the Public Expenditure Commission will be implemented.
180. The public procurement system will be made effective, economic, competitive and transparent to promote the financial discipline and Public Procurement Ordinance will be enacted.
181. Internal Auditing system and Internal Control System will be strengthened in government agencies to maintain financial discipline. Continuity will be given to conduct the Public Expenditure Tracking Survey of selected programs every year. Institutional reforms of Financial Controller General Office will be carried out to make it effective in ensuring financial discipline within the government system.
182. Timely amendment will be made in Insurance Business Act and related regulations to make insurance business more competitive and reliable and to ensure the entry of the Nepalese insurance companies in the external markets.
183. The financial health of Rastriya Beema Sansthan (Insurance Company) will be re-evaluated independently and corrective measures will be taken accordingly to maintain high rate of return to insured person and play the lead role in insurance business.
184. Since there is no mandatory legal provision of providing for old-age pension by self-employed and employees in the informal sector, many of the old people have to depend on their children's income or get trapped into the vicious circle of poverty. To address this issue, provision has been made to implement a Citizens Pension Scheme, through Citizen Investment Trust, where people during income earning years can deposit certain portion of their income generated from private enterprise or business for old-age pension.
185. The foreign assistance will be mobilized and utilized in the interest of the nation and for the programs having national priority. In order to increase the development-effectiveness of foreign aid, the donor agencies will be motivated to provide their assistance collectively and harmoniously on the basis of Sectoral Business Plan.
186. It is found that there can be an increment in the resources utilization and absence of obstacles in the development process if the programs are based on the needs of the communities and got implemented with the active participation of the communities themselves. Government will try its best to expand and enlarge the development space by using the alternative implementation mechanism as per the needs of the

people. In this context, I would like to assure the donor communities and the INGOs collaborating with the government in its development and poverty reduction efforts that the Basic Operating Guidelines (BOG) will be sincerely honored in order to facilitate smooth implementation of development programs.

Beloved Sisters and Brothers,

187. To implement the above mentioned policies and programs and other services and activities within the Medium Term Expenditure Framework (MTEF), I have estimated a total expenditure amounting to Rs 126. Billion 885.1 Million in the FY 2005/06. Out of this, Rs.75 Billion 850 Million and 33 thousand Million for recurrent expenditures, Rs.37 Billion 233 Million and 854 thousand for capital expenditures and Rs. 13 Billion 801 Million and 213 thousand for the payment of principal has been estimated respectively. The proposed recurrent expenditure is higher by 20.17%, capital expenditure is higher by 47.96% and the expenditure for the payment of the principal is higher by 9.06 % and the total expenditure is more by 25.71 % as compared to the revised estimate of the current fiscal year 2004/05.
188. Out of the total expenditure, Rs.74 Billion 844 Million 689 thousand and Rs.52 Billion 40 Million 411 Thousand have been allocated for the regular and development expenditure respectively. As per this allocation, 37.10 percentage of the development expenditure has been earmarked for the implementation of the programs directly related to poverty alleviation.
189. In the FY 2005/06, the total budget expenditure for four major strategies of the Tenth Plan and general administration has been estimated as mentioned below.
 - Rs.18 Billion 664 Million 966 thousand for the objective of higher, sustainable and broad based economic growth,
 - Rs.24 Billion 624 Million 445 thousand for social sector and rural infrastructure,
 - Rs.3 Billion 179 Million and 870 thousand for targeted programs,
 - Rs.5 Billion 571 Million and 130 thousand for good governance,
 - Rs.74 Billion 844 Million and 689 thousand for the general administration and payment of principal and interest,
190. Out of the total amount Rs 126 Billion 885.1 Million allocated for the expenditures as mentioned above, Rs 77 Billion 759 Million and 930 thousand will be mobilized from the existing sources of revenue, Rs. 18 Billion 686 Million and 861 thousand will be financed from foreign grant, Rs.14 Billion 531 Million and 639 thousand will be born from foreign loan and there will be a deficit of Rs 15 Billion 906.7 Million.

Beloved Sisters and Brothers,

Revenue Policies and Programmes

191. Now, I would like to present policies of revenue mobilization, adjustment and changes in the prevailing policies and statement of revenue.
192. Since the tax policy assures the taxpayers to run their business, tax policy has been ensuring consistency in the system and structure of our taxation not letting any distortions prevail. Accordingly, in order to have simple procedure, enhanced administration, expanded tax net and appropriate tax rate, the following subjects have been given priority while formulating the policies of revenue mobilization for the FY 2005/06:
- Augment the access of the Nepalese products to the world market by producing competitive exportable products through developing and expanding the domestic industries and business and eliminating the weaknesses witnessed in economic sectors.
 - Creating additional employment opportunities and production by encouraging domestic and foreign investments.
 - An environment will be created for the payment of tax with pride by making the tax administration taxpayers friendly. This will be done by enhancing collaboration with the private sector in the areas of the country's overall economic development and revenue collection.
 - The burden of tax as well as price escalation will be minimized for the general people having limited income.
 - Taxpayers outside the tax net will be brought into the net, and
 - The current tax system will be made more clear, simple and transparent in order to make the revenue administration service oriented. This will contribute to increase revenue collection through enhancing the efficiency of the tax administration.
193. Continuity has been given to the programs initiated for the qualitative improvement in the performance of revenue administration.
194. Improvements and adjustments have been made in the taxes including excise duty, income tax, customs and VAT as per the recommendations of the Revenue Advisory Committee and commitments made with regional and international organizations.
195. Excise Department will be established in order to make excise administration stronger and effective.

196. An especial unit will be established in the Ministry of Finance consisting of Nepal Police, Armed Police Force and National Intelligence Department in order to prevent and keep vigilance of the revenue leakage.
197. Arrangements have been made to provide various facilities to the taxpayers with regard to arrear collection of income tax, value added tax and excise duty and submission of tax returns.
198. Efforts have been made to bring into tax net the persons, firms and companies, traditionally doing business of diamond and jewelry by making them declare their stocks of commercial goods and levying 7 percent special duty on the value so declared.
199. A study will be carried out on the report submitted by the Revenue Advisory sub-Committee to make Revenue Advisory Committee more effective and strengthened and to implement recommendation of this report.
200. In order to make revenue administration efficient, modern, dynamic and effective, the present organizational structure and the formation of revenue group will be reviewed. A study will be carried out to investigate physical condition, workload and jurisdiction of departments and the offices to introduce necessary reforms in light of the recommendations.
201. Continuity has been given to the task of making timely adjustments to the rates of non-tax- revenue.
202. Now I would like to introduce the provisions of direct tax revenue.
203. Arrangements have been made to refund within 60 days the excess money deposited by taxpayers.
204. Taxpayers selected for audit will be notified within 15 days. The task of tax audit should be completed within 90 days. The Director General shall be informed in the event of not completing tax audit within the given period.
205. The present threshold of presumptive taxpayers has been increased to Rs. 1.5 Million.
206. The present tax exemption limit for a natural person has been increased by 25 percent to Rs.100,000 for an individual and Rs.125,000 for couple (including widow or widower).
207. Feasibility study will be carried out to introduce e-filing of income tax through complete computerization and infrastructures will be developed accordingly.
208. Interest earned by the rural depositors under micro-credit programme on savings up to Rs.10,000 shall be exempted.
209. In order to bring the transaction of commission agencies into the tax net, the employer should fill up the specified tax return file and submit it to the Inland Revenue Department by mid-October 2005.

210. Industries established in the special economic zone and the technology park shall get 50 percent and 75 percent income tax rebate respectively.
211. On the payment to be made by Nepal based foreign employment companies to foreign individual/company, the rate of tax deduction has been reduced to 10 percent. Similarly arrangements will be made to provide necessary foreign exchange facilities for the transaction of such companies.
212. Companies listed at the Nepal Stock Exchange will be given a 2 percent tax rebate on the existing tax rate.
213. Special duty levied on income tax has been abolished, instead 1.5 percent additional tax will be levied on taxable income.
214. Now, I would like to inform about indirect taxes.
215. The three -year customs reforms and modernization program will be implemented effectively in the days to come. In this connection, FY 2005/06 will be observed as "Customs Modernization Year" with a slogan "Customs Services - Support to Trade Facilitation".
216. ASYCUDA system will be extended to additional customs offices and a wide area network will be established to link customs offices with the center.
217. Post Clearance Audit will be made effective for making customs valuation system more scientific and transparent. Likewise, valuation manual will be prepared and provision of necessary trainings will be made.
218. Necessary study will be carried out to manage the outstanding bank guarantee as well as returnable machine and equipments imported in bonds.
219. The provision will be made to refund the amount of customs duty to the entrepreneurs through the concerned custom offices.
220. In order to promote the export of vegetable ghee, custom duty has been reduced from 10 percent to 8 percent. Likewise, the rate of export duty of plastic goods, textured yarn as well as iron pipe and pipefitting has been reduced by 50 percent.
221. The import duties of plastic granules, resins and PVC compound, chemical for making POY, tyre tubes, paper albums, other batteries, cycles, hydraulic break fluid, waste chemical, marble/marble chips, pizza have been decreased.
222. Special Fee of 0.5 percent levied on import has been waived.
223. Agriculture Improvement Fee on import has been reduced to 8 percent.
224. Considering the domestic demand and transactions, import duties of gold under baggage rules have been reduced to Rs.150 per 10 grams.
225. Provision has been made to levy only one percent customs duty on the import of valves, stint and pacemaker used to transplant in the treatment of heart patients.

226. Customs duties have been fully waived on the import of equipments like White Stick, Stelstilen, Braille Typewriter, Braille watch, Abacus, Magnifying Glass, Braille Compass, Braille Books, Braille Embosser and Braille Stencil that are used by blind people.
227. Provision has been made to levy only 2 percent duty on the machines, equipment and tools imported by industries under heading 9027.
228. Provision has been made to levy one percent duty on imports of fish residuals imported by animal feed industries.
229. Exemption of customs duty has been increased to 50 percent on the import of electric and battery driven passengers and delivery vehicles.
230. Provision has been made to levy only 10 percent duty on the import of goods carrying vehicles installed with refrigerating system for safe delivery of fresh milk, vegetable and alike products.
231. Different tariff rates have been adjusted in the import of products of similar nature, finished fish nets, adhesive, aluminum profile and foils, cameras and parts, fieldtrip pens and markers, pig fats and fats of other animals, dalmot, papad, numkin, bhujiya, finishing agent, television pictures tubes and kits.
232. In order to promote domestic industries, arrangement has been made to levy 5 percent customs duty on the import of Ayurvedic and Allopathic medicines.
233. To promote the printing industries, arrangement has been made to levy 5 percent customs duty has on the import of books printed abroad.
234. Import duty has been slightly increased on processed soup, caraway seed, saffron, *rochakpachak*, paraffin wax, finishing agent, post card and envelopes.
235. The de-registration procedure of VAT registrants will be simplified. Likewise, tax refund procedure will also be simplified.
236. In order to make Value Added Tax Administration more effective and to discourage tax evasion tendency, tax officers assigned for monitoring and investigation are given additional authority to search business transaction, seal, arrest, and demand deposit.
237. General insurance transaction has been brought into the net of VAT.
238. Firms that carry out business of hardware, sanitary, furniture and fixture, furnishing, automobiles within Metropolitan city and Sub-metropolitan city must be registered in VAT offices.
239. Value Added Tax has been exempted on perched rice, tea chest, and pacemaker to be used in heart treatment, staint, heart-valve, silver ornaments and goods.
240. Provision of 25 percent duty payback has been made for mustard oil, flour and scent- stick industries.

241. A provision of zero-rate tariff equivalent to export has been made for certain export houses which exports goods that carries VAT.
242. Provision of putting excise-stamps securely on each bottle of beer and liquor and pack of cigarette within next four months has been made. Producers have to make necessary arrangements for it within this period.
243. The excise duty on soft drinks has been reduced. But a small increment has been made on fees for license and renewal of sugar-cane crusher.
244. The other rates of excise duties are kept unchanged.
245. Additional commercial banks will be assigned to collect the revenue to facilitate the taxpayers.
246. A rebate of 20 percent registration fee has been provided to women for transferring the ownership and buying the assets such as house and land.
247. Provision will be made to waive the land tax on the land owned by the registered conflict affected people for their relief.
248. Registration fee on the transaction up to Rs 100 thousand will be fully exempted on the registration of mortgage and similar deeds among the members of cooperatives in the lending process.
249. Annual royalty to be paid by each Casino operated in the Kingdom of Nepal has been raised to Rs. 15 Million.
250. I have expected that an amount of Rs.4.057 Billion revenue will be collected from the changes in revenue rates, administrative reforms etc. as mentioned above. Net deficit will remain at Rs.11.85 Billion after additional revenue mobilization.
251. The net deficit of Rs. 11.85 Billion shown in the aforementioned expenditure statement will be generated from the mobilization of internal borrowing. The present government is committed to control and maintain fiscal deficit in the expected limit.

Estimate of Macro-economic Indicators.

252. It is estimated to achieve the macro-economic growth rate of 4.5 percent with an increase of 4.0 percent in agriculture and 4.8 percent in non-agriculture sectors in the FY 2005/06. Similarly, inflation, narrow money supply and broad money supply will be expected to remain at the rate of 4.9 percent, 12.0 percent and 13 percent respectively. Revenue mobilization will be expected thus at 14.1 percent of the Gross Domestic Product after policy related changes in revenue and administrative reforms.
253. Statements of actual income and expenditure of FY 2003/04 and estimated income and expenditure of FY 2005/06 are presented in the annexes.
254. Nepal Rastra Bank will prepare and implement monetary policy in line with the fiscal policy of HMG/N.

255. A brief description of technical assistance provided to HMG/N by friendly countries and donor communities as well as information related to INGOs are presented separately.
256. I would like to extend my heartfelt gratitude and thanks to Honorable Speaker and Honorable Deputy Speaker of House of Representatives, Honorable Members of National Assembly, including institutions and individuals representing industry, commerce and tourism sector, Intellectuals, teachers, professors, civil servants and representatives of civil societies for their constructive support in preparing this Income and Expenditure statement.
257. There has been a significant role of foreign aid in the development effort of the country. I would like to appreciate our friendly countries and development partners for their continued support, anticipating the continuation of their cooperation and support in the implementation of programmes and policies reflected in the budget. At the same time, I would like to extend my whole-hearted thanks to all of the members of donor communities for their partnership in the campaign of socio-economic development of Nepal.
258. I would like to request to all concerned to cooperate in the successful implementation of this budget, which is longing towards the direction of creating milestone for prosperous Nepal improving the standard of living of very poor and disadvantaged people by maintaining the environment conducive for the private sector to invest and improving socio-economic strata by bringing permanent peace in the country. At this juncture, where the country is fighting against the terrorist activities, I would like to request all patriotic Nepalese citizens residing inside and outside Nepal to help elevating the confidence of the security forces who are performing their duties with great honesty and to cooperate with the leadership of His Majesty the King with dedication. As anticipated by the political, social, economic, developmental and foreign policy in this budget the outcomes will be acquired certainly, with the cooperation of all. I am confident that carrying out of impartial and free election is assisted, investment friendly environment is shaped and internal revenue generation will be amplified if we can transform the expenditure made for the purpose of development and economic growth into the outcome oriented investment, by maximum utilization of limited resources.
259. I am also confident that the above results would help increase the prestige of Nepal in the international forum and help making the kingdom peaceful, progressive, exploitation-free and fully democratic, within three years to come.
260. Finally, the success of any budget is determined by whether or not it has been fair to all and does it provide the greatest good to the largest number to the extent possible so that no one is excluded. I am sure that this budget will be fair to all and help create an equitable society. I pray to Lord Pashupati Nath and Lord Buddha for the strength and inspiration to all for the achievement of the objectives of this budget.

Thank you

Summary of Income and Expenditure

Annex -1
(Rs. In '000)

Description	Actual Expenditure of 2003/04	Revised Estimate of 2004/05	Estimate of 2005/06
Revenue	62,331,028	71,322,200	81,816,600
Tax Revenue	48,172,982	54,477,100	63,850,000
Existing Sources			60,723,330
Tariff Adjustments and Administrative Reforms			3,126,670
Non Tax Revenue	12,307,512	15,657,600	16,410,600
Existing Sources			16,410,600
Tariff Adjustments and Administrative Reforms			0
Principal Refund	1,850,534	1,187,500	1,556,000
Total Expenditure	89,442,593	100,937,300	126,885,100
Recurrent	55,552,129	63,117,338	75,850,033
Capital	23,095,610	25,165,115	37,233,854
Principal Repayment	10,794,854	12,654,847	13,801,213
Surplus (+) Deficit (-) Before Foreign Grant	-27,111,565	-29,615,100	-45,068,500
Foreign Grant	11,283,396	11,170,000	18,686,861
Bilateral	8,947,219	8,970,000	12,660,251
Multilateral	2,336,177	2,200,000	6,026,610
Surplus (+) Deficit (-) After Foreign Grant	-15,828,169	-18,445,100	-26,381,639
Sources of Deficit Financing			
Foreign Loan	7,628,999	8,814,000	14,531,639
Bilateral	66,013	67,000	289,777
Multilateral	7,562,986	8,747,000	14,241,862
Domestic Borrowings	5,607,800	9,060,000	11,850,000
Cash Balance Surplus (+) Deficit (-)	-2,591,370	-571,100	

Summary of Income and Expenditure

Annex -1A
(Rs. In '000)

Description	Actual Expenditure of 2003/04	Revised Estimate of 2004/05	Estimate of 2005/06
Total Income	73,614,424	82,492,200	100,503,461
Revenue	62,331,028	71,322,200	81,816,600
Tax Revenue	48,172,982	54,477,100	63,850,000
Existing Sources			60,723,330
Tariff Adjustments and Administrative Reforms			3,126,670
Non Tax Revenue	12,307,512	15,657,600	16,410,600
Existing Sources			16,410,600
Tariff Adjustments and Administrative Reforms			0
Principal Refund	1,850,534	1,187,500	1,556,000
Foreign Grant	11,283,396	11,170,000	18,686,861
Bilateral	8,947,219	8,970,000	12,660,251
Multilateral	2,336,177	2,200,000	6,026,610
Total Expenditure	89,442,593	100,937,300	126,885,100
Recurrent	55,552,129	63,117,338	75,850,033
Capital	23,095,610	25,165,115	37,233,854
Principal Repayment	10,794,854	12,654,847	13,801,213
Surplus (+) Deficit (-)	-15,828,169	-18,445,100	-26,381,639
Sources of Deficit Financing			
Foreign Loan	7,628,999	8,814,000	14,531,639
Bilateral	66,013	67,000	289,777
Multilateral	7,562,986	8,747,000	14,241,862
Domestic Borrowings	5,607,800	9,060,000	11,850,000
Cash Balance Surplus (+) Deficit (-)	-2,591,370	-571,100	

Estimates Of Government Revenue
Fiscal Year 2005/06

Annex-2
(Rs. in '000)

Code No.	Head	Existing Sources	Tariff Adjustments and Administrative Reforms	Total
1.1.01.00	Commodity Tax based on Foreign Trade	16,725,830	324,170	17,050,000
1.1.01.10	Import Duties	13,425,830	324,170	13,750,000
1.1.01.30	Indian Excise Refund	2,320,000		2,320,000
1.1.01.40	Export Duties	500,000		500,000
1.1.01.60	Other Income of Customs	79,000		79,000
1.1.01.70	Agriculture Improvement Duties	400,000		400,000
1.1.01.90	Other Duties	1,000		1,000
1.1.02.00	Internal Commodity Tax based on Goods and Services	29,644,400	1,955,600	31,600,000
1.1.02.10	Value Added Tax	22,450,000	1,200,000	23,650,000
1.1.02.11	Production	2,745,000	155,000	2,900,000
1.1.02.12	Imports	14,200,000	700,000	14,900,000
1.1.02.13	Sales and Distribution	1,445,000	80,000	1,525,000
1.1.02.14	Contract and Consultancy	1,195,000	110,000	1,305,000
1.1.02.15	Tourism Industries	490,000	25,000	515,000
1.1.02.19	Other Services	2,375,000	130,000	2,505,000
1.1.02.20	Excise Duties	7,194,400	755,600	7,950,000
1.1.02.21	Cigarettes	2,735,000	215,000	2,950,000
1.1.02.22	Bidi	3,200	100	3,300
1.1.02.23	Liquor	1,395,600	354,300	1,749,900
1.1.02.25	Beer	1,233,600	167,300	1,400,900
1.1.02.26	Other Industrial Production	321,600	4,300	325,900
1.1.02.27	Excise on Import	1,505,400	14,600	1,520,000
Indirect Tax Total		46,370,230	2,279,770	48,650,000
1.1.03.00	Income Tax	10,953,100	846,900	11,800,000
1.1.03.10	Corporate Income Tax	7,565,000	776,900	8,341,900
1.1.03.11	Government Corporations	1,350,000	121,900	1,471,900
1.1.03.12	Public Limited Companies	2,200,000	350,000	2,550,000
1.1.03.13	Private Limited Companies	1,735,000	150,000	1,885,000
1.1.03.14	Personal or Sole Trading Firm	2,151,000	149,000	2,300,000
1.1.03.19	Other Institutions	129,000	6,000	135,000
1.1.03.20	Remuneration Tax	1,770,000	30,000	1,800,000
1.1.03.21	Remuneration Tax	1,770,000	30,000	1,800,000
1.1.03.50	Income Tax on Investment	1,599,100	40,000	1,639,100
1.1.03.51	Lease or Rent	500,000	20,000	520,000

Estimates Of Government Revenue
Fiscal Year 2005/06

Annex-2
(Rs. in '000)

Code No.	Head	Existing Sources	Tariff Adjustments and Administrative Reforms	Total
1.1.04.40	House and Land tax	2,500,000		2,500,000
1.1.04.50	Vehicle Tax	900,000	0	900,000
	Direct Tax Total	14,353,100	846,900	15,200,000
	Tax Revenue Total	60,723,330	3,126,670	63,850,000
1.1.05.00	Duty and Fees	4,094,300		4,094,300
1.1.05.10	Firm Registration	140,000		140,000
1.1.05.20	Agency Registration	4,000		4,000
1.1.05.30	Arms Registration	3,300		3,300
1.1.05.40	Transportation Sector Fee	680,000		680,000
1.1.05.41	Vehicle Licence fee	270,000		270,000
1.1.05.42	Road Improvement Fee	255,000		255,000
1.1.05.43	Urban Road Construction and Maintenance Fee	155,000		155,000
1.1.05.50	Export Import Licence Fees	26,000		26,000
1.1.05.60	Examination Fees	90,000		90,000
1.1.05.70	Passport Fees	1,900,000		1,900,000
1.1.05.80	Tourism Fees	861,000		861,000
1.1.05.81	Visa Fees	600,000		600,000
1.1.05.82	Mountaineering and Trekking Fees	260,000		260,000
1.1.05.83	Other Fees	1,000		1,000
1.1.05.90	Other Administrative Fees	390,000		390,000
1.1.05.95	Telephone Ownership and Service Fees	200,000		200,000
1.1.05.99	Others	190,000		190,000
1.1.06.00	Penalty, Fines and Forfeitures	170,000		170,000
1.1.06.10	Judicial Duties, Penalty, Fines and Forfeiture	120,000		120,000
1.1.06.20	Administrative Penalty, Fines and Forfeiture	50,000		50,000
1.1.07.00	Receipt from Sales and Rent of Government Property, Services and Commodities	1,350,000		1,350,000
1.1.07.10	Receipt From Water Resources	7,000		7,000
1.1.07.11	Drinking Water	6,000		6,000
1.1.07.12	Irrigation	800		800
1.1.07.13	Electricity	200		200
1.1.07.20	Postal Services	305,000		305,000
1.1.07.30	Food and Agriculture	43,000		43,000
1.1.07.40	Education	170,000		170,000
1.1.07.50	Forest	550,000		550,000

Estimates Of Government Revenue
Fiscal Year 2005/06

Annex-2
(Rs. in '000)

Code No.	Head	Existing Sources	Tariff Adjustments and Administrative Reforms	Total
1.1.08.40	Service oriented Institutions	2,000,000		2,000,000
1.1.08.50	Others	1,000		1,000
1.1.09.00	Interests	1,560,000		1,560,000
1.1.09.10	Financial Institutions	100,000		100,000
1.1.09.20	Trading Concerns	200		200
1.1.09.30	Industrial Undertakings	50,000		50,000
1.1.09.40	Services Oriented Institutions	1,406,000		1,406,000
1.1.09.50	Others	3,800		3,800
1.1.10.00	Royalty and Sales of Government Property	4,084,600		4,084,600
1.1.10.10	Royalty	1,538,000		1,538,000
1.1.10.11	Royalty From Mining	45,000		45,000
1.1.10.12	Royalty Related to Water Resource	943,000		943,000
1.1.10.13	Casino Royalties	100,000		100,000
1.1.10.19	Other Royalties	450,000		450,000
1.1.10.20	Sales	2,546,600		2,546,600
1.1.10.21	Sales of Government Land and Buildings	2,034,600		2,034,600
1.1.10.22	Sales of Government Goods	12,000		12,000
1.1.10.23	Other Sales	500,000		500,000
1.1.12.00	Donation, Gift and Miscellaneous Income	830,700		830,700
1.1.12.10	Donations and Gift	1,000		1,000
1.1.12.20	Miscellaneous	829,700		829,700
Non Tax Revenue Total		16,410,600		16,410,600
1.1.11.00	Principal Repayment	1,556,000		1,556,000
1.1.11.10	Financial Institutions	65,000		65,000
1.1.11.20	Trading Concerns	5,000		5,000
1.1.11.30	Industrial Undertakings	1,000,000		1,000,000
1.1.11.40	Service Oriented Institutions	485,000		485,000
1.1.11.50	Others	1,000		1,000
Principal Refund		1,556,000		1,556,000
Revenue Total		78,689,930	3,126,670	81,816,600

**Summary of Budget Estimate
2005/06**

Annex - 3
(Rs. In '000)

Description	Actual Expenditure of 2003/04	Revised Estimate of 2004/05	Estimate of 2005/06
Total Expenditure	89,44,25,93	1,00,93,73,00	1,26,88,51,00
Recurrent	55,55,21,29	63,11,73,38	75,85,00,33
Capital	23,09,56,10	25,16,51,15	37,23,38,54
Principal Repayment	10,79,48,54	12,65,48,47	13,80,12,13
Central Recurrent	51,51,59,65	57,96,66,19	68,35,63,22
Central Capital	18,51,24,81	20,81,50,09	29,67,29,49
Central Principal Repayment	10,79,48,54	12,65,48,47	13,80,12,13
Central Total	80,82,33,00	91,43,64,75	1,11,83,04,84
District Recurrent	4,03,61,64	5,15,07,19	7,49,37,11
District Capital	4,58,31,29	4,35,01,06	7,56,09,05
District Total	8,61,92,93	9,50,08,25	15,05,46,16
Chargeable	17,92,55,03	20,53,63,61	21,94,77,82
Recurrent	7,12,74,22	7,87,96,38	8,13,74,19
Capital	32,27	18,76	91,50
Principal Repayment	10,79,48,54	12,65,48,47	13,80,12,13
Appropriated	71,51,70,90	80,40,09,39	1,04,93,73,18
Recurrent	48,42,47,07	55,23,77,00	67,71,26,14
Capital	23,09,23,83	25,16,32,39	37,22,47,04

**Summary of Budget Estimate
2005/06**

Annex - 3
(Rs. In '000)

Description	Actual Expenditure of 2003/04	Revised Estimate of 2004/05	Estimate of 2005/06
Total Expenditure	89,44,25,93	1,00,93,73,00	1,26,88,51,00
Recurrent	55,55,21,29	63,11,73,38	75,85,00,33
Capital	23,09,56,10	25,16,51,15	37,23,38,54
Principal Repayment	10,79,48,54	12,65,48,47	13,80,12,13
Central Recurrent	51,51,59,65	57,96,66,19	68,35,63,22
Central Capital	18,51,24,81	20,81,50,09	29,67,29,49
Central Principal Repayment	10,79,48,54	12,65,48,47	13,80,12,13
Central Total	80,82,33,00	91,43,64,75	1,11,83,04,84
District Recurrent	4,03,61,64	5,15,07,19	7,49,37,11
District Capital	4,58,31,29	4,35,01,06	7,56,09,05
District Total	8,61,92,93	9,50,08,25	15,05,46,16
Chargeable	17,92,55,03	20,53,63,61	21,94,77,82
Recurrent	7,12,74,22	7,87,96,38	8,13,74,19
Capital	32,27	18,76	91,50
Principal Repayment	10,79,48,54	12,65,48,47	13,80,12,13
Appropriated	71,51,70,90	80,40,09,39	1,04,93,73,18
Recurrent	48,42,47,07	55,23,77,00	67,71,26,14
Capital	23,09,23,83	25,16,32,39	37,22,47,04

Constitutional Organ/Ministry-Wise Estimate of Expenditure for Fiscal Year 2005/06

Annex 4

(Rs. in '000')

Code	Description	Recurrent	Capital and Principal Repayment	Total	Cash			Direct Payment and Commodity Grant
					Cash Total	HMG	Foreign Cash	
11	His Majesty the King, Royal Family and Royal Palace	355,075	0	355,075	355,075	355,075	0	0
12	State Council	13,340	4,300	17,640	17,640	17,640	0	0
13	Parliament	203,682	5,400	209,082	209,082	209,082	0	0
14	Court	604,328	236,365	840,693	820,693	715,693	105,000	20,000
15	Commission for Investigation of Abuse of Authority	82,348	67,920	150,268	135,650	135,650	0	14,618
16	Office of the Auditor General	87,267	1,875	89,142	80,109	80,109	0	9,033
17	Public Service Commission	69,870	17,900	87,770	87,770	87,770	0	0
18	Election Commission	362,045	4,850	366,895	366,895	366,895	0	0
19	Office of the Attorney General	112,959	8,020	120,979	115,979	115,979	0	5,000
20	Council of Justice	5,039	0	5,039	5,039	5,039	0	0
27	National Vigilance Center	17,675	608	18,283	16,283	16,283	0	2,000
30	Prime Minister and Council of Minister's Office	202,407	484,529	686,936	202,409	202,409	0	484,527
35	Ministry of Finance	813,003	434,494	1,247,497	1,109,475	905,994	203,481	138,022
38	Ministry of Industry, Commerce & Supply	920,433	87,321	1,007,754	931,188	788,688	142,500	76,566
39	Ministry of Law, Justice and Parliamentary Affairs	38,196	455	38,651	29,201	29,201	0	9,450
40	Ministry of Agriculture & Cooperatives	2,990,519	374,261	3,364,780	3,275,209	2,060,968	1,214,241	89,571
45	Ministry of Home	8,233,549	661,630	8,895,179	8,895,179	8,895,179	0	0
47	Ministry of Water Resources	496,246	3,357,267	3,853,513	3,174,785	1,732,157	1,442,628	678,728
48	Ministry of Physical Planning and Works	1,161,284	9,023,176	10,184,460	8,138,504	3,601,116	4,537,388	2,045,956
49	Ministry of Culture, Tourism and Civil Aviation	318,034	247,956	565,990	465,990	465,990	0	100,000
50	Ministry of Foreign Affairs	1,038,604	16,435	1,055,039	1,055,039	1,055,039	0	0
55	Ministry of Land Reform and Management	699,690	102,707	802,397	802,397	762,397	40,000	0
56	Ministry of Women, Children & Social Welfare	371,262	4,277	375,539	344,539	281,506	63,033	31,000
58	Ministry of Defence	9,012,817	1,893,030	10,905,847	10,905,847	10,905,847	0	0
59	Ministry of Forest and Soil Conservation	1,735,039	194,200	1,929,239	1,929,239	1,710,043	219,196	0
61	Ministry of Environment, Science & Technology	244,924	853,348	1,098,272	537,826	323,572	214,254	560,446
65	Ministry of Education & Sports	19,149,703	2,100,744	21,250,447	20,120,873	15,466,302	4,654,571	1,129,574
66	Ministry of General Administration	63,456	5,220	68,676	68,676	68,676	0	0
67	Ministry of Information and Communication	1,116,523	566,087	1,682,610	1,208,110	1,160,480	47,630	474,500
69	Ministry of Local Development	2,574,186	5,595,674	8,169,860	6,921,168	4,612,803	2,308,365	1,248,692
70	Ministry of Health and Population	5,937,829	1,617,602	7,555,431	6,590,479	4,340,212	2,250,267	964,952
71	Ministry of Labour & Transport Management	243,262	12,725	255,987	173,087	173,087	0	82,900
72	National Planning Commission Secretariat	282,961	5,126	288,087	160,132	158,172	1,960	127,955

Code	Description	Recurrent	Capital and Principal Repayment	Total	Cash			Direct Payment and Commodity Grant
					Cash Total	HMG	Foreign Cash	
81	Ministry of Finance - Repayment of Domestic Debt	4,972,455	7,263,500	12,235,955	12,235,955	12,235,955	0	0
82	Ministry of Finance - Repayment of Foreign Debt - Multilateral	1,986,677	4,486,449	6,473,126	6,473,126	6,473,126	0	0
83	Ministry of Finance - Repayment of Foreign Debt - Bilateral	456,776	2,051,264	2,508,040	2,508,040	2,508,040	0	0
87	Ministry of Finance - Investments - Public Enterprises	0	7,820,852	7,820,852	2,651,052	1,180,322	1,470,730	5,169,800
95	Ministry of Finance - Miscellaneous	8,876,570	1,427,500	10,304,070	10,054,070	9,464,104	589,966	250,000
Total		75,850,033	51,035,067	126,885,100	113,171,810	93,666,600	19,505,210	13,713,290

Summary of Revenue Collection

Annex5
(Rs. in '000')

Code No.	Head	2003/04 Actual	2004/05 Revised Estimate
1.1.01.00	Commodity Tax based on Foreign Trade	15,554,794	15,915,000
1.1.01.10	Import Duties	10,666,928	12,600,000
1.1.01.30	Indian Excise Refund	3,882,713	2,200,000
1.1.01.40	Export Duties	522,199	670,000
1.1.01.50	Export Service Charge	4,876	
1.1.01.60	Other Income of Customs	73,222	50,000
1.1.01.70	Agriculture Improvement Duties	404,742	395,000
1.1.01.90	Other Duties	114	
1.1.02.00	Internal Commodity Tax based on Goods and Services	21,406,218	26,059,000
1.1.02.10	Value Added Tax	14,478,907	18,950,000
1.1.02.11	Production	1,957,079	2,188,500
1.1.02.12	Imports	8,874,773	12,385,000
1.1.02.13	Sales and Distribution	839,514	1,125,000
1.1.02.14	Contract and Consultancy	850,639	1,050,000
1.1.02.15	Tourism Industries	336,280	351,500
1.1.02.19	Other Services	1,620,622	1,850,000
1.1.02.20	Excise Duties	6,226,723	6,358,000
1.1.02.21	Cigarettes	2,393,056	2,487,700
1.1.02.22	Bidi	3,251	3,000
1.1.02.23	Liquor	1,266,670	1,268,800
1.1.02.24	Low Quality Liquor	982,499	1,121,500
1.1.02.25	Beer	296,243	297,000
1.1.02.26	Other Industrial Production	1,285,004	1,180,000
1.1.02.50	Vehicle Tax	700,588	751,000
Indirect Tax Total		36,961,012	41,974,000
1.1.03.00	Income Tax	9,514,487	10,250,000
1.1.03.10	Corporate Income Tax	6,816,869	7,244,500
1.1.03.11	Government Corporations	2,056,635	920,000
1.1.03.12	Public Limited Companies	1,531,340	2,679,500
1.1.03.13	Private Limited Companies	1,250,811	1,573,000
1.1.03.14	Personal or Sole Trading Firm	1,870,466	1,955,000
1.1.03.19	Other Institutions	107,617	117,000
1.1.03.20	Remuneration Tax	1,391,189	1,528,000
1.1.03.21	Remuneration Tax	1,391,189	1,528,000
1.1.03.50	Income Tax on Investment	1,292,225	1,457,000
1.1.03.51	Lease or Rent	403,283	451,000

Summary of Revenue Collection

Annex5
(Rs. in '000')

Code No.	Head	2003/04 Actual	2004/05 Revised Estimate
Direct Tax Total		11,211,970	12,503,100
Tax Revenue Total		48,172,982	54,477,100
1.1.05.00	Duty and Fees	3,244,124	3,814,700
1.1.05.10	Firm Registration	82,053	127,000
1.1.05.20	Agency Registration	3,087	3,230
1.1.05.30	Arms Registration	2,357	2,870
1.1.05.40	Transportation Sector Fee	635,413	640,000
1.1.05.41	Vehicle Licence fee	271,550	255,000
1.1.05.42	Road Improvement Fee	219,942	240,000
1.1.05.43	Urban Road Construction and Maintenance Fee	143,921	145,000
1.1.05.50	Export Import Licence Fees	17,224	23,000
1.1.05.60	Examination Fees	66,289	78,000
1.1.05.70	Passport Fees	1,535,893	1,800,000
1.1.05.80	Tourism Fees	638,923	780,600
1.1.05.81	Visa Fees	599,814	535,000
1.1.05.82	Mountaineering and Trekking Fees	38,339	245,000
1.1.05.83	Other Fees	770	600
1.1.05.90	Other Administrative Fees	262,885	360,000
1.1.05.95	Telephone Ownership and Service Fees	134,832	195,000
1.1.05.99	Others	128,053	165,000
1.1.06.00	Penalty, Fines and Forfeitures	133,241	160,000
1.1.06.10	Judicial Duties, Penalty, Fines and Forfeiture	102,098	115,000
1.1.06.20	Administrative Penalty, Fines and Forfeiture	31,143	45,000
1.1.07.00	Receipt from Sales and Rent of Government Property, Services and Commodities	1,322,240	1,250,800
1.1.07.10	Receipt From Water Resources	5,971	5,800
1.1.07.11	Drinking Water	5,279	5,000
1.1.07.12	Irrigation	692	700
1.1.07.13	Electricity	0	100
1.1.07.20	Postal Services	246,958	285,000
1.1.07.30	Food and Agriculture	42,800	38,000
1.1.07.40	Education	128,687	160,000
1.1.07.50	Forest	674,126	505,000
1.1.07.60	Transport	131,598	140,000
1.1.07.70	Others	92,100	117,000
1.1.08.00	Dividends	2,661,056	5,186,000

Summary of Revenue Collection

Annex5
(Rs. in '000')

Code No.	Head	2003/04 Actual	2004/05 Revised Estimate
1.1.09.30	Industrial Undertakings	33,346	20,000
1.1.09.40	Services Oriented Institutions	1,521,208	1,501,900
1.1.09.50	Others	2,513	3,000
1.1.10.00	Royalty and Sales of Government Property	1,464,979	2,056,000
1.1.10.10	Royalty	1,012,019	1,420,000
1.1.10.11	Royalty From Mining	9,808	40,000
1.1.10.12	Royalty Related to Water Resource	604,773	870,000
1.1.10.13	Casino Royalties	53,210	90,000
1.1.10.19	Other Royalties	344,228	420,000
1.1.10.20	Sales	452,960	636,000
1.1.10.21	Sales of Government Land and Buildings	9,969	150,000
1.1.10.22	Sales of Government Goods	16,650	11,000
1.1.10.23	Other Sales	426,341	475,000
1.1.12.00	Donation, Gift and Miscellaneous Income	1,825,333	1,600,100
1.1.12.10	Donations and Gift	61	100
1.1.12.20	Miscellaneous	1,825,272	1,600,000
Non Tax Revenue Total		12,307,512	15,657,600
1.1.11.00	Principal Repayment	1,850,534	1,187,500
1.1.11.10	Financial Institutions	426,921	60,000
1.1.11.20	Trading Concerns	102	100
1.1.11.30	Industrial Undertakings	33,450	20,000
1.1.11.40	Service Oriented Institutions	1,366,223	1,100,000
1.1.11.50	Others	23,838	7,400
Principal Refund		1,850,534	1,187,500
Revenue Total		62,331,028	71,322,200

Constitutional Organ/Ministry-wise Actual Expenditure and Revised Estimate

Annex - 6
(Rs. In '000)

Code	Description	Actual Expenditure of 2003/04			Revised Estimate of 2004/05		
		Capital and Principal Recurrent	Repayment	Total	Capital and Principal Recurrent	Repayment	Total
11	His Majesty the King, Royal Family and Royal Palace	329,149		329,149	336,301		336,301
12	State Council	10,456	144	10,600	12,492	291	12,783
13	Parliament	57,143	5,268	62,411	73,606	4,318	77,924
14	Court	423,896	61,479	485,375	560,438	114,358	674,796
15	Commission for Investigation of Abuse of Authority	34,387	2,360	36,747	58,546	1,690	60,236
16	Office of the Auditor General	72,474	500	72,974	74,217	1,369	75,586
17	Public Service Commission	60,165	4,589	64,754	66,704	3,876	70,580
18	Election Commission	102,559	2,103	104,662	128,191	935	129,126
19	Office of the Attorney General	84,259	6,909	91,168	98,781	12,655	111,436
20	Council of Justice	5,305	9	5,314	4,370		4,370
25	Prime Minister's Office	17,977	117	18,094			0
26	Deputy Prime Minister's Office			0	225		225
27	National Vigilance Center	5,964	3,362	9,326	9,062	25,534	34,596
30	Prime Minister and Council of Minister's Office	26,055	1,117	27,172	93,204	1,296	94,500
35	Ministry of Finance	595,482	100,045	695,527	636,565	307,877	944,442
38	Ministry of Industry, Commerce & Supply	794,823	76,888	871,711	887,482	57,492	944,974
39	Ministry of Law, Justice and Parliamentary Affairs	23,629	525	24,154	36,813	715	37,528
40	Ministry of Agriculture & Cooperatives	1,921,973	207,743	2,129,716	2,177,324	151,014	2,328,338
45	Ministry of Home	6,880,407	507,334	7,387,741	7,809,934	737,468	8,547,402
46	Ministry of Population & Environment	39,444	4,619	44,063	40,019	4,625	44,644
47	Ministry of Water Resources	375,075	1,994,452	2,369,527	460,138	2,075,140	2,535,278
48	Ministry of Physical Planning and Works	840,899	5,379,450	6,220,349	1,044,825	6,490,424	7,535,249
49	Ministry of Culture, Tourism and Civil Aviation	175,273	183,700	358,973	266,413	207,058	473,471
50	Ministry of Foreign Affairs	814,162	36,172	850,334	1,021,578	18,234	1,039,812
55	Ministry of Land Reform and Management	554,063	53,226	607,289	639,567	43,372	682,939
56	Ministry of Women, Children & Social Welfare	231,134	1,189	232,323	290,903	5,266	296,169
58	Ministry of Defence	6,634,402	1,890,363	8,524,765	8,368,728	1,757,739	10,126,467
59	Ministry of Forest and Soil Conservation	1,335,738	459,998	1,795,736	1,553,019	290,578	1,843,597
61	Ministry of Environment, Science & Technology	119,039	540,080	659,119	184,979	552,874	737,853
65	Ministry of Education & Sports	13,473,935	1,003,805	14,477,740	15,411,192	779,424	16,190,616
66	Ministry of General Administration	46,603	3,281	49,884	55,712	1,496	57,208
67	Ministry of Information and Communication	936,819	268,280	1,205,099	1,109,529	574,629	1,684,158

Code	Description	Actual Expenditure of 2003/04			Revised Estimate of 2004/05		
		Capital and Principal Recurrent	Capital and Principal Repayment	Total	Capital and Principal Recurrent	Capital and Principal Repayment	Total
69	Ministry of Local Development	2,062,706	3,427,426	5,490,132	2,369,721	3,733,667	6,103,388
70	Ministry of Health and Population	3,772,946	142,208	3,915,154	4,407,184	556,953	4,964,137
71	Ministry of Labour & Transport Management	105,527	17,100	122,627	174,650	9,736	184,386
72	National Planning Commission Secretariat	273,665	9,219	282,884	191,284	101,214	292,498
81	Ministry of Finance - Repayment of Domestic Debt	4,402,180	5,029,035	9,431,215	4,970,612	6,794,722	11,765,334
82	Ministry of Finance - Repayment of Foreign Debt - Multilateral	1,765,728	3,875,879	5,641,607	1,849,358	3,919,875	5,769,233
83	Ministry of Finance - Repayment of Foreign Debt - Bilateral	375,976	1,889,940	2,265,916	393,479	1,940,250	2,333,729
87	Ministry of Finance - Investments - Public Enterprises		5,220,788	5,220,788		5,174,628	5,174,628
95	Ministry of Finance - Miscellaneous	5,770,712	1,479,762	7,250,474	5,250,193	1,367,170	6,617,363
Total		55,552,129	33,890,464	89,442,593	63,117,338	37,819,962	100,937,300

Fiscal Year 2005/06 Sectoral and Ministry Detail

Annex 7
(Rs. in '000')

Description	Fiscal Year 2005/06 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
His Majesty the King, Royal Family and Royal Palace	355,075	355,075	0	0.28
101 His Majesty the King, Royal Family and Royal Palace	355,075	355,075	0	0.28
11 His Majesty the King, Royal Family and Royal Palace	355,075	355,075	0	0.28
Constitutional Bodies	1,852,724	1,506,749	345,975	1.46
102 Constitutional Bodies	1,852,724	1,506,749	345,975	1.46
12 State Council	17,640	13,340	4,300	0.01
13 Parliament	209,082	203,682	5,400	0.16
14 Court	805,909	570,199	235,710	0.64
15 Commission for Investigation of Abuse of Authority	150,268	82,348	67,920	0.12
16 Office of the Auditor General	89,142	87,267	1,875	0.07
17 Public Service Commission	87,770	69,870	17,900	0.07
18 Election Commission	366,895	362,045	4,850	0.29
19 Office of the Attorney General	120,979	112,959	8,020	0.10
20 Council of Justice	5,039	5,039	0	0.00
General Administration	11,753,631	10,885,872	867,759	9.26
103 General Administration	2,843,520	2,696,767	146,753	2.24
14 Court	34,784	34,129	655	0.03
27 National Vigilance Center	18,283	17,675	608	0.01
30 Prime Minister and Council of Minister's Office	178,837	174,677	4,160	0.14
35 Ministry of Finance	67,690	42,690	25,000	0.05
38 Ministry of Industry, Commerce & Supply	25,026	24,501	525	0.02
39 Ministry of Law, Justice and Parliamentary Affairs	38,651	38,196	455	0.03
40 Ministry of Agriculture & Cooperatives	21,402	21,232	170	0.02
45 Ministry of Home	952,965	895,475	57,490	0.75
47 Ministry of Water Resources	12,112	11,612	500	0.01
48 Ministry of Physical Planning and Works	24,939	24,239	700	0.02
49 Ministry of Culture, Tourism and Civil Aviation	24,262	24,262	0	0.02
50 Ministry of Foreign Affairs	1,055,039	1,038,604	16,435	0.83
55 Ministry of Land Reform and Management	11,485	10,685	800	0.01
56 Ministry of Women, Children & Social Welfare	20,224	20,094	130	0.02
58 Ministry of Defence	5,847	5,717	130	0.00
59 Ministry of Forest and Soil Conservation	13,838	13,713	125	0.01
61 Ministry of Environment, Science & Technology	31,546	31,546	0	0.02
65 Ministry of Education & Sports	90,720	87,670	3,050	0.07
66 Ministry of General Administration	68,676	63,456	5,220	0.05
67 Ministry of Information and Public Relations	57,000	56,710	290	0.02

Description	Fiscal Year 2005/06 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
107 Defence	10,900,000	9,007,100	1,892,900	8.59
58 Ministry of Defence	10,900,000	9,007,100	1,892,900	8.59
Social Services	44,194,539	29,690,332	14,504,207	34.83
108 Education	21,049,130	18,942,790	2,106,340	16.59
65 Ministry of Education & Sports	21,005,227	18,907,533	2,097,694	16.55
69 Ministry of Local Development	43,903	35,257	8,646	0.03
109 Health	7,679,118	6,061,816	1,617,302	6.05
38 Ministry of Industry, Commerce & Supply	70,000	70,000	0	0.06
69 Ministry of Local Development	87,230	87,230	0	0.07
70 Ministry of Health and Population	7,521,888	5,904,586	1,617,302	5.93
110 Drinking Water	5,153,761	545,456	4,608,305	4.06
48 Ministry of Physical Planning and Works	4,218,031	544,321	3,673,710	3.32
69 Ministry of Local Development	420,000	1,135	418,865	0.33
87 Ministry of Finance - Investments - Public Enterprises	515,730	0	515,730	0.41
111 Local Development	6,958,279	1,958,067	5,000,212	5.48
69 Ministry of Local Development	6,518,279	1,588,067	4,930,212	5.14
95 Ministry of Finance - Miscellaneous	440,000	370,000	70,000	0.35
Other Social Services	3,354,251	2,182,203	1,172,048	2.64
112 Population & Environment	16,014	15,714	300	0.01
70 Ministry of Health and Population	16,014	15,714	300	0.01
113 Women, Children & Social Welfare	395,315	391,168	4,147	0.31
56 Ministry of Women, Children & Social Welfare	355,315	351,168	4,147	0.28
95 Ministry of Finance - Miscellaneous	40,000	40,000	0	0.03
114 Youth, Sports & Culture	542,168	310,172	231,996	0.43
49 Ministry of Culture, Tourism and Civil Aviation	387,668	155,672	231,996	0.31
65 Ministry of Education & Sports	154,500	154,500	0	0.12
115 Housing	740,777	315,816	424,961	0.58
45 Ministry of Home	55,000	55,000	0	0.04
48 Ministry of Physical Planning and Works	676,277	256,116	420,161	0.53
49 Ministry of Culture, Tourism and Civil Aviation	9,500	4,700	4,800	0.01
116 Others - Social	1,659,977	1,149,333	510,644	1.31
30 Prime Minister and Council of Minister's Office	508,099	27,730	480,369	0.40
45 Ministry of Home	6,785	6,785	0	0.01
61 Ministry of Environment, Science & Technology	53,350	50,350	3,000	0.04
69 Ministry of Local Development	816,543	809,268	7,275	0.64
70 Ministry of Health and Population	50,000	50,000	0	0.04

Description	Fiscal Year 2005/06 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
55 Ministry of Land Reform and Management	790,912	689,005	101,907	0.62
120 Forest	1,915,401	1,721,326	194,075	1.51
59 Ministry of Forest and Soil Conservation	1,915,401	1,721,326	194,075	1.51
121 Industry	598,529	537,903	60,626	0.47
38 Ministry of Industry, Commerce & Supply	548,529	513,503	35,026	0.43
61 Ministry of Environment, Science & Technology	50,000	24,400	25,600	0.04
122 Communications	1,667,832	1,094,095	573,737	1.31
61 Ministry of Environment, Science & Technology	14,812	4,312	10,500	0.01
67 Ministry of Information and Communication	1,625,520	1,089,783	535,737	1.28
87 Ministry of Finance - Investments - Public Enterprises	27,500	0	27,500	0.02
Transportation	5,604,848	405,217	5,199,631	4.42
123 Road Transportation	5,574,848	405,217	5,169,631	4.39
48 Ministry of Physical Planning and Works	5,265,213	336,608	4,928,605	4.15
69 Ministry of Local Development	246,815	16,314	230,501	0.19
71 Ministry of Labour & Transport Management	62,820	52,295	10,525	0.05
124 Air Transportation	30,000	0	30,000	0.02
87 Ministry of Finance - Investments - Public Enterprises	30,000	0	30,000	0.02
125 Electricity	7,080,117	123,916	6,956,201	5.58
47 Ministry of Water Resources	488,819	38,216	450,603	0.39
61 Ministry of Environment, Science & Technology	878,498	85,700	792,798	0.69
87 Ministry of Finance - Investments - Public Enterprises	5,712,800	0	5,712,800	4.50
Other Economic Services	3,499,453	1,325,475	2,173,978	2.76
126 Tourism	144,560	133,400	11,160	0.11
49 Ministry of Culture, Tourism and Civil Aviation	144,560	133,400	11,160	0.11
127 Metereology	70,066	48,616	21,450	0.06
61 Ministry of Environment, Science & Technology	70,066	48,616	21,450	0.06
128 Supply	260,000	260,000	0	0.20
38 Ministry of Industry, Commerce & Supply	260,000	260,000	0	0.20
129 Commerce	104,199	52,429	51,770	0.08
38 Ministry of Industry, Commerce & Supply	104,199	52,429	51,770	0.08
130 Labour	183,352	181,227	2,125	0.14
71 Ministry of Labour & Transport Management	183,352	181,227	2,125	0.14
131 Others - Economic	2,737,276	649,803	2,087,473	2.16
35 Ministry of Finance	136,476	9,803	126,673	0.11
72 National Planning Commission Secretariat	50,000	50,000	0	0.04
87 Ministry of Finance - Investments - Public Enterprises	2,450,800	599,999	1,850,801	2.07

Description	Fiscal Year 2005/06 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
Grand Total	126,885,100	75,850,033	51,035,067	1,00.00

Constitutional Organ/Ministry-wise Budget of Fiscal Year 2005/06

Annex 7 A

(Rs. in '000')

Ministry/Sector	Fiscal year 2005/06 Allocation			Distrib. %
	Total	Recurrent	Capital and Principal Repayment	
11 His Majesty the King, Royal Family and Royal Palace	35,50,75	35,50,75	0	0.28
101 His Majesty the King, Royal Family and Royal Palace	35,50,75	35,50,75	0	0.28
12 State Council	1,76,40	1,33,40	43,00	0.01
102 Constitutional Bodies	1,76,40	1,33,40	43,00	0.01
13 Parliament	20,90,82	20,36,82	54,00	0.16
102 Constitutional Bodies	20,90,82	20,36,82	54,00	0.16
14 Court	84,06,93	60,43,28	23,63,65	0.66
102 Constitutional Bodies	80,59,09	57,01,99	23,57,10	0.64
103 General Administration	3,47,84	3,41,29	6,55	0.03
15 Commission for Investigation of Abuse of Authority	15,02,68	8,23,48	6,79,20	0.12
102 Constitutional Bodies	15,02,68	8,23,48	6,79,20	0.12
16 Office of the Auditor General	8,91,42	8,72,67	18,75	0.07
102 Constitutional Bodies	8,91,42	8,72,67	18,75	0.07
17 Public Service Commission	8,77,70	6,98,70	1,79,00	0.07
102 Constitutional Bodies	8,77,70	6,98,70	1,79,00	0.07
18 Election Commission	36,68,95	36,20,45	48,50	0.29
102 Constitutional Bodies	36,68,95	36,20,45	48,50	0.29
19 Office of the Attorney General	12,09,79	11,29,59	80,20	0.10
102 Constitutional Bodies	12,09,79	11,29,59	80,20	0.10
20 Council of Justice	50,39	50,39	0	0.00
102 Constitutional Bodies	50,39	50,39	0	0.00
27 National Vigilance Center	1,82,83	1,76,75	6,08	0.01
103 General Administration	1,82,83	1,76,75	6,08	0.01
30 Prime Minister and Council of Minister's Office	68,69,36	20,24,07	48,45,29	0.54
103 General Administration	17,88,37	17,46,77	41,60	0.14
116 Others - Social	50,80,99	2,77,30	48,03,69	0.40
35 Ministry of Finance	1,24,74,97	81,30,03	43,44,94	0.98
103 General Administration	6,76,90	4,26,90	2,50,00	0.05
105 Revenue & Financial Administration	86,74,65	75,57,25	11,17,40	0.68
117 Agriculture	4,05,00	0	4,05,00	0.03
118 Irrigation	12,99,81	0	12,99,81	0.10
131 Others - Economic	13,64,76	98,03	12,66,73	0.11
134 Miscellaneous	53,85	47,85	6,00	0.00
38 Ministry of Industry, Commerce & Supply	1,00,77,54	92,04,33	8,73,21	0.79
103 General Administration	2,50,26	2,45,01	5,25	0.02

Ministry/Sector	Fiscal year2005/06 Allocation			Distrib. %t
	Total	Recurrent	Capital and Principal Repayment	
103 General Administration	2,14,02	2,12,32	1,70	0.02
117 Agriculture	3,17,84,73	2,91,54,22	26,30,51	2.51
118 Irrigation	16,49,05	5,38,65	11,10,40	0.13
45 Ministry of Home	8,89,51,79	8,23,35,49	66,16,30	7.01
103 General Administration	95,29,65	89,54,75	5,74,90	0.75
104 Police	7,88,04,29	7,27,62,89	60,41,40	6.21
115 Housing	5,50,00	5,50,00	0	0.04
116 Others - Social	67,85	67,85	0	0.01
47 Ministry of Water Resources	3,85,35,13	49,62,46	3,35,72,67	3.04
103 General Administration	1,21,12	1,16,12	5,00	0.01
118 Irrigation	3,35,25,82	44,64,18	2,90,61,64	2.64
125 Electricity	48,88,19	3,82,16	45,06,03	0.39
48 Ministry of Physical Planning and Works	10,18,44,60	1,16,12,84	9,02,31,76	8.03
103 General Administration	2,49,39	2,42,39	7,00	0.02
110 Drinking Water	4,21,80,31	54,43,21	3,67,37,10	3.32
115 Housing	67,62,77	25,61,16	42,01,61	0.53
123 Road Transportation	5,26,52,13	33,66,08	4,92,86,05	4.15
49 Ministry of Culture, Tourism and Civil Aviation	56,59,90	31,80,34	24,79,56	0.45
103 General Administration	2,42,62	2,42,62	0	0.02
114 Youth, Sports & Culture	38,76,68	15,56,72	23,19,96	0.31
115 Housing	95,00	47,00	48,00	0.01
126 Tourism	14,45,60	13,34,00	1,11,60	0.11
50 Ministry of Foreign Affairs	1,05,50,39	1,03,86,04	1,64,35	0.83
103 General Administration	1,05,50,39	1,03,86,04	1,64,35	0.83
55 Ministry of Land Reform and Management	80,23,97	69,96,90	10,27,07	0.63
103 General Administration	1,14,85	1,06,85	8,00	0.01
119 Land Reform & Survey	79,09,12	68,90,05	10,19,07	0.62
56 Ministry of Women, Children & Social Welfare	37,55,39	37,12,62	42,77	0.30
103 General Administration	2,02,24	2,00,94	1,30	0.02
113 Women, Children & Social Welfare	35,53,15	35,11,68	41,47	0.28
58 Ministry of Defence	10,90,58,47	9,01,28,17	1,89,30,30	8.60
103 General Administration	58,47	57,17	1,30	0.00
107 Defence	10,90,00,00	9,00,71,00	1,89,29,00	8.59
59 Ministry of Forest and Soil Conservation	1,92,92,39	1,73,50,39	19,42,00	1.52
103 General Administration	1,38,38	1,37,13	1,25	0.01

Ministry/Sector	Fiscal year2005/06 Allocation			Distrib. %t
	Total	Recurrent	Capital and Principal Repayment	
127 Metereology	7,00,66	4,86,16	2,14,50	0.06
65 Ministry of Education & Sports	21,25,04,47	19,14,97,03	2,10,07,44	16.75
103 General Administration	9,07,20	8,76,70	30,50	0.07
108 Education	21,00,52,27	18,90,75,33	2,09,76,94	16.55
114 Youth, Sports & Culture	15,45,00	15,45,00	0	0.12
66 Ministry of General Administration	6,86,76	6,34,56	52,20	0.05
103 General Administration	6,86,76	6,34,56	52,20	0.05
67 Ministry of Information and Communication	1,68,26,10	1,11,65,23	56,60,87	1.33
103 General Administration	5,70,90	2,67,40	3,03,50	0.04
122 Communications	1,62,55,20	1,08,97,83	53,57,37	1.28
69 Ministry of Local Development	8,16,98,60	2,57,41,86	5,59,56,74	6.44
103 General Administration	3,70,90	3,69,15	1,75	0.03
108 Education	4,39,03	3,52,57	86,46	0.03
109 Health	8,72,30	8,72,30	0	0.07
110 Drinking Water	42,00,00	11,35	41,88,65	0.33
111 Local Development	6,51,82,79	1,58,80,67	4,93,02,12	5.14
116 Others - Social	81,65,43	80,92,68	72,75	0.64
123 Road Transportation	24,68,15	1,63,14	23,05,01	0.19
70 Ministry of Health and Population	7,55,54,31	5,93,78,29	1,61,76,02	5.95
103 General Administration	1,75,29	1,75,29	0	0.01
109 Health	7,52,18,88	5,90,45,86	1,61,73,02	5.93
112 Population & Environment	1,60,14	1,57,14	3,00	0.01
71 Ministry of Labour & Transport Management	25,59,87	24,32,62	1,27,25	0.20
103 General Administration	98,15	97,40	75	0.01
123 Road Transportation	6,28,20	5,22,95	1,05,25	0.05
130 Labour	18,33,52	18,12,27	21,25	0.14
72 National Planning Commission Secretariat	28,80,87	28,29,61	51,26	0.23
103 General Administration	2,56,70	2,56,70	0	0.02
106 Planning & Statistics	16,22,17	15,70,91	51,26	0.13
116 Others - Social	5,02,00	5,02,00	0	0.04
131 Others - Economic	5,00,00	5,00,00	0	0.04
81 Ministry of Finance - Repayment of Domestic Debt	12,23,59,55	4,97,24,55	7,26,35,00	9.64
132 Internal Loan Payment	12,23,59,55	4,97,24,55	7,26,35,00	9.64
82 Ministry of Finance - Repayment of Foreign Debt - Multilateral	6,47,31,26	1,98,66,77	4,48,64,49	5.10
133 External Loan Payment	6,47,31,26	1,98,66,77	4,48,64,49	5.10

Ministry/Sector	Fiscal year2005/06 Allocation			Distrib. %t
	Total	Recurrent	Capital and Principal Repayment	
125 Electricity	5,71,28,00	0	5,71,28,00	4.50
131 Others - Economic	94,58,00	0	94,58,00	0.75
95 Ministry of Finance - Miscellaneous	10,30,40,70	8,87,65,70	1,42,75,00	8.12
111 Local Development	44,00,00	37,00,00	7,00,00	0.35
113 Women, Children & Social Welfare	4,00,00	4,00,00	0	0.03
116 Others - Social	22,50,00	20,50,00	2,00,00	0.18
131 Others - Economic	1,60,50,00	59,00,00	1,01,50,00	1.26
134 Miscellaneous	7,99,40,70	7,67,15,70	32,25,00	6.30
Grand Total	1,26,88,51,00	75,85,00,33	51,03,50,67	100.00

Constitutional Organ/Ministry-wise Three Years Budget

Annex - 7 B
(Rs. In '000)

Ministry/Sector	Fiscal year 2005/06			Fiscal year 2006/07			Fiscal year 2007/08		
	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment
11 His Majesty the King, Royal Family and Royal Palace	355,075	355,075	0	330,075	330,075	0	430,075	430,075	
101 His Majesty the King, Royal Family and Royal Palace	355,075	355,075	0	330,075	330,075	0	430,075	430,075	
12 State Council	17,640	13,340	4,300	13,840	13,540	300	14,043	13,743	
102 Constitutional Bodies	17,640	13,340	4,300	13,840	13,540	300	14,043	13,743	
13 Parliament	209,082	203,682	5,400	236,263	230,161	6,102	244,296	237,987	6
102 Constitutional Bodies	209,082	203,682	5,400	236,263	230,161	6,102	244,296	237,987	6
14 Court	840,693	604,328	236,365	774,014	619,537	154,477	799,302	646,511	152
102 Constitutional Bodies	805,909	570,199	235,710	738,210	584,454	153,756	762,876	610,085	152
103 General Administration	34,784	34,129	655	35,804	35,083	721	36,426	36,426	
15 Commission for Investigation of Abuse of Authority	150,268	82,348	67,920	71,650	70,000	1,650	70,500	69,000	1
102 Constitutional Bodies	150,268	82,348	67,920	71,650	70,000	1,650	70,500	69,000	1
16 Office of the Auditor General	89,142	87,267	1,875	94,100	92,500	1,600	96,818	95,133	1
102 Constitutional Bodies	89,142	87,267	1,875	94,100	92,500	1,600	96,818	95,133	1
17 Public Service Commission	87,770	69,870	17,900	76,529	69,649	6,880	72,707	71,739	
102 Constitutional Bodies	87,770	69,870	17,900	76,529	69,649	6,880	72,707	71,739	
18 Election Commission	366,895	362,045	4,850	611,585	606,250	5,335	126,895	121,187	5
102 Constitutional Bodies	366,895	362,045	4,850	611,585	606,250	5,335	126,895	121,187	5
19 Office of the Attorney General	120,979	112,959	8,020	112,522	108,789	3,733	115,767	112,011	3
102 Constitutional Bodies	120,979	112,959	8,020	112,522	108,789	3,733	115,767	112,011	3
20 Council of Justice	5,039	5,039	0	5,190	5,190	0	5,346	5,346	
102 Constitutional Bodies	5,039	5,039	0	5,190	5,190	0	5,346	5,346	
27 National Vigilance Center	18,283	17,675	608	19,385	18,725	660	20,828	20,380	
103 General Administration	18,283	17,675	608	19,385	18,725	660	20,828	20,380	
30 Prime Minister and Council of Minister's Office	686,936	202,407	484,529	225,508	223,457	2,051	243,662	241,570	2
103 General Administration	178,837	174,677	4,160	195,109	193,058	2,051	213,621	211,529	2
116 Others - Social	508,099	27,730	480,369	30,399	30,399	0	30,041	30,041	
35 Ministry of Finance	1,247,497	813,003	434,494	1,203,475	732,550	470,925	903,815	745,600	158
103 General Administration	67,690	42,690	25,000	100,500	45,500	55,000	72,000	47,000	25
105 Revenue & Financial Administration	867,465	755,725	111,740	737,290	666,600	70,690	764,200	681,300	82
117 Agriculture	40,500	0	40,500	49,070	0	49,070	49,070	0	49

Ministry/Sector	Fiscal year 2005/06			Fiscal year 2006/07			Fiscal year 2007/08		
	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment
118 Irrigation	129,981	0	129,981	144,600	4,600	140,000	0	0	
131 Others - Economic	136,476	9,803	126,673	166,315	10,850	155,465	12,245	11,800	
134 Miscellaneous	5,385	4,785	600	5,700	5,000	700	6,300	5,500	
38 Ministry of Industry, Commerce & Supply	1,007,754	920,433	87,321	691,164	630,319	60,845	717,443	650,228	67
103 General Administration	25,026	24,501	525	25,325	24,375	950	27,850	26,650	1
109 Health	70,000	70,000	0	0	0	0	0	0	
121 Industry	548,529	513,503	35,026	593,809	561,909	31,900	613,213	578,723	34
128 Supply	260,000	260,000	0	0	0	0	0	0	
129 Commerce	104,199	52,429	51,770	72,030	44,035	27,995	76,380	44,855	31
39 Ministry of Law, Justice and Parliamentary Affairs	38,651	38,196	455	37,857	37,382	475	39,562	39,057	
103 General Administration	38,651	38,196	455	37,857	37,382	475	39,562	39,057	
40 Ministry of Agriculture & Cooperatives	3,364,780	2,990,519	374,261	3,468,433	3,112,862	355,571	3,393,312	3,049,712	343
103 General Administration	21,402	21,232	170	22,473	22,294	179	23,595	23,408	
117 Agriculture	3,178,473	2,915,422	263,051	3,272,810	3,034,010	238,800	3,187,909	2,966,918	220
118 Irrigation	164,905	53,865	111,040	173,150	56,558	116,592	181,808	59,386	122
45 Ministry of Home	8,895,179	8,233,549	661,630	9,311,235	7,425,579	1,885,656	9,679,203	7,793,547	1,885
103 General Administration	952,965	895,475	57,490	441,333	441,333	0	475,931	475,931	
104 Police	7,880,429	7,276,289	604,140	8,869,902	6,984,246	1,885,656	9,203,272	7,317,616	1,885
115 Housing	55,000	55,000	0	0	0	0	0	0	
116 Others - Social	6,785	6,785	0	0	0	0	0	0	
47 Ministry of Water Resources	3,853,513	496,246	3,357,267	3,355,129	447,374	2,907,755	3,848,420	437,994	3,410
103 General Administration	12,112	11,612	500	12,000	11,500	500	12,345	11,845	
118 Irrigation	3,352,582	446,418	2,906,164	2,437,384	407,371	2,030,013	2,662,777	398,863	2,263
125 Electricity	488,819	38,216	450,603	905,745	28,503	877,242	1,173,298	27,286	1,146
48 Ministry of Physical Planning and Works	10,184,460	1,161,284	9,023,176	12,500,379	1,240,638	11,259,741	13,837,972	1,369,534	12,468
103 General Administration	24,939	24,239	700	25,746	24,922	824	27,587	26,655	
110 Drinking Water	4,218,031	544,321	3,673,710	5,662,453	547,555	5,114,898	5,451,108	636,957	4,814
115 Housing	676,277	256,116	420,161	1,114,489	334,952	779,537	1,952,373	362,919	1,589
123 Road Transportation	5,265,213	336,608	4,928,605	5,697,691	333,209	5,364,482	6,406,904	343,003	6,063
49 Ministry of Culture, Tourism and Civil Aviation	565,990	318,034	247,956	129,462	124,962	4,500	75,944	66,444	9

Ministry/Sector	Fiscal year 2005/06			Fiscal year 2006/07			Fiscal year 2007/08		
	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment
103 General Administration	24,262	24,262	0	23,302	23,302	0	27,559	27,559	
114 Youth, Sports & Culture	387,668	155,672	231,996	0	0	0	0	0	
115 Housing	9,500	4,700	4,800	0	0	0	0	0	
126 Tourism	144,560	133,400	11,160	106,160	101,660	4,500	48,385	38,885	9
50 Ministry of Foreign Affairs	1,055,039	1,038,604	16,435	1,089,897	1,072,590	17,307	1,122,594	1,104,769	17
103 General Administration	1,055,039	1,038,604	16,435	1,089,897	1,072,590	17,307	1,122,594	1,104,769	17
55 Ministry of Land Reform and Management	802,397	699,690	102,707	798,607	695,900	102,707	896,887	836,379	60
103 General Administration	11,485	10,685	800	11,485	10,685	800	11,990	10,955	1
119 Land Reform & Survey	790,912	689,005	101,907	787,122	685,215	101,907	884,897	825,424	59
56 Ministry of Women, Children & Social Welfare	375,539	371,262	4,277	370,442	370,304	138	382,040	381,896	
103 General Administration	20,224	20,094	130	34,689	34,689	0	21,884	21,884	
113 Women, Children & Social Welfare	355,315	351,168	4,147	335,753	335,615	138	360,156	360,012	
58 Ministry of Defence	10,905,847	9,012,817	1,893,030	19,078,310	11,780,949	7,297,361	19,410,490	12,049,629	7,360
103 General Administration	5,847	5,717	130	0	0	0	0	0	
107 Defence	10,900,000	9,007,100	1,892,900	19,078,310	11,780,949	7,297,361	19,410,490	12,049,629	7,360
59 Ministry of Forest and Soil Conservation	1,929,239	1,735,039	194,200	2,094,214	1,861,806	232,408	2,162,016	1,920,188	241
103 General Administration	13,838	13,713	125	14,881	14,881	0	15,827	15,327	
120 Forest	1,915,401	1,721,326	194,075	2,079,333	1,846,925	232,408	2,146,189	1,904,861	241
61 Ministry of Environment, Science & Technology	1,098,272	244,924	853,348	856,594	92,413	764,181	837,150	99,930	737
103 General Administration	31,546	31,546	0	0	0	0	0	0	
116 Others - Social	53,350	50,350	3,000	0	0	0	0	0	
121 Industry	50,000	24,400	25,600	0	0	0	0	0	
122 Communications	14,812	4,312	10,500	7,300	7,000	300	8,050	7,750	
125 Electricity	878,498	85,700	792,798	766,685	33,010	733,675	742,510	38,158	704
127 Metereology	70,066	48,616	21,450	82,609	52,403	30,206	86,590	54,022	32
65 Ministry of Education & Sports	21,250,447	19,149,703	2,100,744	39,547,876	36,739,946	2,807,930	24,592,509	21,685,476	2,907
103 General Administration	90,720	87,670	3,050	86,185	86,185	0	89,632	89,632	
108 Education	21,005,227	18,907,533	2,097,694	39,285,635	36,505,041	2,780,594	24,320,020	21,440,323	2,879
114 Youth, Sports & Culture	154,500	154,500	0	176,056	148,720	27,336	182,857	155,521	27
66 Ministry of General Administration	68,676	63,456	5,220	64,640	60,765	3,875	65,003	61,128	3

Ministry/Sector	Fiscal year 2005/06			Fiscal year 2006/07			Fiscal year 2007/08		
	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment
103 General Administration	68,676	63,456	5,220	64,640	60,765	3,875	65,003	61,128	3
67 Ministry of Information and Communication	1,682,610	1,116,523	566,087	1,681,677	1,181,597	500,080	1,189,768	1,104,328	85
103 General Administration	57,090	26,740	30,350	28,384	17,934	10,450	19,629	19,079	
122 Communications	1,625,520	1,089,783	535,737	1,653,293	1,163,663	489,630	1,170,139	1,085,249	84
69 Ministry of Local Development	8,169,860	2,574,186	5,595,674	1,632,151	306,787	1,325,364	1,759,387	352,623	1,406
103 General Administration	37,090	36,915	175	44,095	43,445	650	51,975	51,175	
108 Education	43,903	35,257	8,646	0	0	0	0	0	
109 Health	87,230	87,230	0	0	0	0	0	0	
110 Drinking Water	420,000	1,135	418,865	0	0	0	0	0	
111 Local Development	6,518,279	1,588,067	4,930,212	1,588,056	263,342	1,324,714	1,707,412	301,448	1,405
116 Others - Social	816,543	809,268	7,275	0	0	0	0	0	
123 Road Transportation	246,815	16,314	230,501	0	0	0	0	0	
70 Ministry of Health and Population	7,555,431	5,937,829	1,617,602	7,659,044	6,083,112	1,575,932	8,064,222	6,380,650	1,683
103 General Administration	17,529	17,529	0	18,055	18,055	0	18,958	18,958	
109 Health	7,521,888	5,904,586	1,617,302	7,640,989	6,065,057	1,575,932	8,045,264	6,361,692	1,683
112 Population & Environment	16,014	15,714	300	0	0	0	0	0	
71 Ministry of Labour & Transport Management	255,987	243,262	12,725	299,838	234,850	64,988	313,280	254,601	58
103 General Administration	9,815	9,740	75	10,135	10,050	85	10,446	10,352	
123 Road Transportation	62,820	52,295	10,525	122,483	60,000	62,483	122,198	64,075	58
130 Labour	183,352	181,227	2,125	167,220	164,800	2,420	180,636	180,174	
72 National Planning Commission Secretariat	288,087	282,961	5,126	233,206	227,567	5,639	310,052	303,850	6
103 General Administration	25,670	25,670	0	28,237	28,237	0	31,061	31,061	
106 Planning & Statistics	162,217	157,091	5,126	199,749	194,110	5,639	218,249	212,047	6
116 Others - Social	50,200	50,200	0	5,220	5,220	0	60,742	60,742	
131 Others - Economic	50,000	50,000	0	0	0	0	0	0	
81 Ministry of Finance - Repayment of Domestic Debt	12,235,955	4,972,455	7,263,500	0	0	0	0	0	0
132 Internal Loan Payment	12,235,955	4,972,455	7,263,500	0	0	0	0	0	0
82 Ministry of Finance - Repayment of Foreign Debt - Multilateral	6,473,126	1,986,677	4,486,449	7,778,200	2,716,888	5,061,312	8,903,461	2,611,812	6,291
133 External Loan Payment	6,473,126	1,986,677	4,486,449	7,778,200	2,716,888	5,061,312	8,903,461	2,611,812	6,291
83 Ministry of Finance - Repayment of Foreign Debt - Bilateral	2,508,040	456,776	2,051,264	2,467,895	462,873	2,005,022	10,133,199	578,029	9,555

Ministry/Sector	Fiscal year 2005/06			Fiscal year 2006/07			Fiscal year 2007/08		
	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment	Total	Recurrent	Capital and Principal Repayment
133 External Loan Payment	2,508,040	456,776	2,051,264	2,467,895	462,873	2,005,022	10,133,199	578,029	9,555
87 Ministry of Finance - Investments - Public Enterprises	7,820,852	0	7,820,852	5,463,332	0	5,463,332	4,379,747	0	4,379
110 Drinking Water	515,730	0	515,730	405,814	0	405,814	446,396	0	446
117 Agriculture	589,022	0	589,022	0	0	0	0	0	
122 Communications	27,500	0	27,500	0	0	0	0	0	
124 Air Transportation	30,000	0	30,000	0	0	0	0	0	
125 Electricity	5,712,800	0	5,712,800	5,057,518	0	5,057,518	3,933,351	0	3,933
131 Others - Economic	945,800	0	945,800	0	0	0	0	0	
95 Ministry of Finance - Miscellaneous	10,304,070	8,876,570	1,427,500	0	0	0	0	0	0
111 Local Development	440,000	370,000	70,000	0	0	0	0	0	
113 Women, Children & Social Welfare	40,000	40,000	0	0	0	0	0	0	
116 Others - Social	225,000	205,000	20,000	0	0	0	0	0	
131 Others - Economic	1,605,000	590,000	1,015,000	0	0	0	0	0	
134 Miscellaneous	7,994,070	7,671,570	322,500	0	0	0	0	0	
Gtand Total	126,885,100	75,850,033	51,035,067	124,383,718	80,027,886	44,355,832	119,257,715	65,942,086	53,315

Sector-wise Prioritization of Budget, Fiscal Year 2005/06

Annex 8
(Rs. in '000')

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
His Majesty the King, Royal Family and Royal Palace	355,075	0	0	0	0	0	355,075
10 His Majesty the King, Royal Family and Royal Palace	355,075	0	0	0	0	0	355,075
11 His Majesty the King, Royal Family and Royal Palace	355,075	0	0	0	0	0	355,075
Constitutional Bodies	1,506,749	345,975	0	0	0	0	1,852,724
11 Constitutional Bodies	1,506,749	345,975	0	0	0	0	1,852,724
12 State Council	13,340	4,300	0	0	0	0	17,640
13 Parliament	203,682	5,400	0	0	0	0	209,082
14 Court	570,199	235,710	0	0	0	0	805,909
15 Commission for Investigation of Abuse of Authority	82,348	67,920	0	0	0	0	150,268
16 Office of the Auditor General	87,267	1,875	0	0	0	0	89,142
17 Public Service Commission	69,870	17,900	0	0	0	0	87,770
18 Election Commission	362,045	4,850	0	0	0	0	366,895
19 Office of the Attorney General	112,959	8,020	0	0	0	0	120,979
20 Council of Justice	5,039	0	0	0	0	0	5,039
General Administration	10,622,602	814,128	251,760	23,511	11,510	30,120	11,753,631
12 General Administration	2,653,354	116,588	35,413	165	8,000	30,000	2,843,520
14 Court	34,129	655	0	0	0	0	34,784
27 National Vigilance Center	17,675	608	0	0	0	0	18,283
30 Prime Minister and Council of Minister's Office	174,677	4,160	0	0	0	0	178,837
35 Ministry of Finance	42,690	25,000	0	0	0	0	67,690
38 Ministry of Industry, Commerce & Supply	24,501	525	0	0	0	0	25,026
39 Ministry of Law, Justice and Parliamentary Affairs	38,196	455	0	0	0	0	38,651
40 Ministry of Agriculture & Cooperatives	21,232	170	0	0	0	0	21,402
45 Ministry of Home	869,872	27,360	17,603	130	8,000	30,000	952,965
47 Ministry of Water Resources	11,612	500	0	0	0	0	12,112
48 Ministry of Physical Planning and Works	24,239	700	0	0	0	0	24,939
49 Ministry of Culture, Tourism and Civil Aviation	24,262	0	0	0	0	0	24,262
50 Ministry of Foreign Affairs	1,032,033	16,400	6,571	35	0	0	1,055,039
55 Ministry of Land Reform and Management	10,685	800	0	0	0	0	11,485
56 Ministry of Women, Children & Social Welfare	20,094	130	0	0	0	0	20,224

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
58 Ministry of Defence	5,717	130	0	0	0	0	5,847
59 Ministry of Forest and Soil Conservation	13,713	125	0	0	0	0	13,838
61 Ministry of Environment, Science & Technology	26,200	0	5,346	0	0	0	31,546
65 Ministry of Education & Sports	87,670	3,050	0	0	0	0	90,720
66 Ministry of General Administration	59,173	5,220	4,283	0	0	0	68,676
67 Ministry of Information and Communication	26,740	30,350	0	0	0	0	57,090
69 Ministry of Local Development	35,305	175	1,610	0	0	0	37,090
70 Ministry of Health and Population	17,529	0	0	0	0	0	17,529
71 Ministry of Labour & Transport Management	9,740	75	0	0	0	0	9,815
72 National Planning Commission Secretariat	25,670	0	0	0	0	0	25,670
13 Police	7,276,289	604,140	0	0	0	0	7,880,429
45 Ministry of Home	7,276,289	604,140	0	0	0	0	7,880,429
14 Revenue & Financial Administration	649,004	93,400	103,211	18,220	3,510	120	867,465
35 Ministry of Finance	649,004	93,400	103,211	18,220	3,510	120	867,465
15 Planning & Statistics	43,955	0	113,136	5,126	0	0	162,217
72 National Planning Commission Secretariat	43,955	0	113,136	5,126	0	0	162,217
Defence	8,990,949	1,891,150	16,151	1,750	0	0	10,900,000
21 Defence	8,990,949	1,891,150	16,151	1,750	0	0	10,900,000
58 Ministry of Defence	8,990,949	1,891,150	16,151	1,750	0	0	10,900,000
Social Services	25,100,942	11,167,570	4,071,329	3,242,140	518,061	94,497	44,194,539
31 Education	15,820,195	1,360,093	2,964,770	746,247	157,825	0	21,049,130
65 Ministry of Education & Sports	15,784,938	1,351,447	2,964,770	746,247	157,825	0	21,005,227
69 Ministry of Local Development	35,257	8,646	0	0	0	0	43,903
32 Health	5,137,280	475,244	677,986	1,120,166	246,550	21,892	7,679,118
38 Ministry of Industry, Commerce & Supply	70,000	0	0	0	0	0	70,000
69 Ministry of Local Development	0	0	87,230	0	0	0	87,230
70 Ministry of Health and Population	5,067,280	475,244	590,756	1,120,166	246,550	21,892	7,521,888
33 Drinking Water	537,953	4,403,700	803	191,305	6,700	13,300	5,153,761
48 Ministry of Physical Planning and Works	536,818	3,649,105	803	11,305	6,700	13,300	4,218,031
69 Ministry of Local Development	1,135	418,865	0	0	0	0	420,000

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
87 Ministry of Finance - Investments - Public Enterprises	0	335,730	0	180,000	0	0	515,730
34 Local Development	1,802,139	3,844,816	135,827	1,148,406	20,101	6,990	6,958,279
69 Ministry of Local Development	1,432,139	3,774,816	135,827	1,148,406	20,101	6,990	6,518,279
95 Ministry of Finance - Miscellaneous	370,000	70,000	0	0	0	0	440,000
35 Other Social Services	1,803,375	1,083,717	291,943	36,016	86,885	52,315	3,354,251
112 Population & Environment	15,714	0	0	0	0	0	16,014
70 Ministry of Health and Population	15,714	300	0	0	0	0	16,014
113 Women, Children & Social Welfare	315,307	15	75,861	15	0	0	395,318
56 Ministry of Women, Children & Social Welfare	275,307	4,132	75,861	15	0	0	355,315
95 Ministry of Finance - Miscellaneous	40,000	0	0	0	0	0	40,000
114 Youth, Sports & Culture	81,352	2,160	146,940	2,160	81,880	36,120	542,162
49 Ministry of Culture, Tourism and Civil Aviation	81,352	193,716	3,940	2,160	70,380	36,120	387,668
65 Ministry of Education & Sports	0	0	143,000	0	11,500	0	154,500
115 Housing	278,454	33,841	32,357	33,841	5,005	16,195	740,773
45 Ministry of Home	55,000	0	0	0	0	0	55,000
48 Ministry of Physical Planning and Works	223,454	374,925	27,657	29,041	5,005	16,195	676,277
49 Ministry of Culture, Tourism and Civil Aviation	0	0	4,700	4,800	0	0	9,500
116 Others - Social	1,112,548	0	36,785	0	0	0	1,659,973
30 Prime Minister and Council of Minister's Office	27,730	480,369	0	0	0	0	508,099
45 Ministry of Home	0	0	6,785	0	0	0	6,785
61 Ministry of Environment, Science & Technology	20,350	3,000	30,000	0	0	0	53,350
69 Ministry of Local Development	809,268	7,275	0	0	0	0	816,543
72 National Planning Commission Secretariat	50,200	0	0	0	0	0	50,200
95 Ministry of Finance - Miscellaneous	205,000	20,000	0	0	0	0	225,000
Economic Services	7,288,300	15,570,014	1,955,523	3,557,622	68,819	172,277	28,612,555
41 Agriculture	2,532,132	256,706	383,290	635,867	0	0	3,807,995
35 Ministry of Finance	0	25,500	0	15,000	0	0	40,500
40 Ministry of Agriculture & Cooperatives	2,532,132	231,206	383,290	31,845	0	0	3,178,473
87 Ministry of Finance - Investments - Public Enterprises	0	0	0	589,022	0	0	589,022
42 Irrigation	438,853	2,843,045	30,530	293,640	30,900	10,500	3,647,468

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
35 Ministry of Finance	0	129,981	0	0	0	0	129,981
40 Ministry of Agriculture & Cooperatives	53,865	111,040	0	0	0	0	164,905
47 Ministry of Water Resources	384,988	2,602,024	30,530	293,640	30,900	10,500	3,352,582
43 Land Reform & Survey	689,005	101,907	0	0	0	0	790,912
55 Ministry of Land Reform and Management	689,005	101,907	0	0	0	0	790,912
44 Forest	969,943	128,062	750,135	65,421	1,248	592	1,915,401
59 Ministry of Forest and Soil Conservation	969,943	128,062	750,135	65,421	1,248	592	1,915,401
45 Industry	512,852	58,326	18,780	2,300	6,271	0	598,529
38 Ministry of Industry, Commerce & Supply	488,452	32,726	18,780	2,300	6,271	0	548,529
61 Ministry of Environment, Science & Technology	24,400	25,600	0	0	0	0	50,000
46 Communications	938,368	548,118	155,727	25,619	0	0	1,667,832
61 Ministry of Environment, Science & Technology	0	0	4,312	10,500	0	0	14,812
67 Ministry of Information and Communication	938,368	520,618	151,415	15,119	0	0	1,625,520
87 Ministry of Finance - Investments - Public Enterprises	0	27,500	0	0	0	0	27,500
47 Transportation	307,388	4,181,606	97,829	875,525	0	142,500	5,604,848
123 Road Transportation	307,388	875,525	97,829	875,525	0	142,500	5,574,848
48 Ministry of Physical Planning and Works	240,329	3,921,105	96,279	865,000	0	142,500	5,265,213
69 Ministry of Local Development	16,314	230,501	0	0	0	0	246,815
71 Ministry of Labour & Transport Management	50,745	0	1,550	10,525	0	0	62,820
124 Air Transportation	0	0	0	0	0	0	30,000
87 Ministry of Finance - Investments - Public Enterprises	0	30,000	0	0	0	0	30,000
48 Electricity	108,561	6,106,201	11,995	835,775	3,360	14,225	7,080,117
47 Ministry of Water Resources	22,861	328,503	11,995	107,875	3,360	14,225	488,819
61 Ministry of Environment, Science & Technology	85,700	792,798	0	0	0	0	878,498
87 Ministry of Finance - Investments - Public Enterprises	0	4,984,900	0	727,900	0	0	5,712,800
49 Other Economic Services	791,198	1,346,043	507,237	823,475	27,040	4,460	3,499,453
126 Tourism	104,060	6,700	6,800	6,700	22,540	4,460	144,560
49 Ministry of Culture, Tourism and Civil Aviation	104,060	0	6,800	6,700	22,540	4,460	144,560
127 Meteorology	43,347	6,100	5,269	6,100	0	0	70,066
61 Ministry of Environment, Science & Technology	43,347	15,350	5,269	6,100	0	0	70,066

Sector/Ministry	1st Priority		2nd Priority		3rd Priority		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
128 Supply	260,000	0	0	0	0	0	260,000
38 Ministry of Industry, Commerce & Supply	260,000	0	0	0	0	0	260,000
129 Commerce	41,404	675	6,525	675	4,500	0	104,199
38 Ministry of Industry, Commerce & Supply	41,404	51,095	6,525	675	4,500	0	104,199
130 Labour	92,584	0	88,643	0	0	0	183,352
71 Ministry of Labour & Transport Management	92,584	2,125	88,643	0	0	0	183,352
131 Others - Economic	249,803	810,000	400,000	810,000	0	0	2,737,276
35 Ministry of Finance	9,803	126,673	0	0	0	0	136,476
72 National Planning Commission Secretariat	50,000	0	0	0	0	0	50,000
87 Ministry of Finance - Investments - Public Enterprises	0	335,800	0	610,000	0	0	945,800
95 Ministry of Finance - Miscellaneous	190,000	815,000	400,000	200,000	0	0	1,605,000
Loan Payment	7,415,908	13,801,213	0	0	0	0	21,217,121
73 Internal Loan Payment	4,972,455	7,263,500	0	0	0	0	12,235,955
81 Ministry of Finance - Repayment of Domestic Debt	4,972,455	7,263,500	0	0	0	0	12,235,955
74 External Loan Payment	2,443,453	6,537,713	0	0	0	0	8,981,166
82 Ministry of Finance - Repayment of Foreign Debt - Multilateral	1,986,677	4,486,449	0	0	0	0	6,473,126
83 Ministry of Finance - Repayment of Foreign Debt - Bilateral	456,776	2,051,264	0	0	0	0	2,508,040
Miscellaneous	5,565,500	0	550,295	293,100	1,560,560	30,000	7,999,455
80 Miscellaneous	5,565,500	0	550,295	293,100	1,560,560	30,000	7,999,455
35 Ministry of Finance	0	0	4,785	600	0	0	5,385
95 Ministry of Finance - Miscellaneous	5,565,500	0	545,510	292,500	1,560,560	30,000	7,994,070
Grand Total	66,846,025	43,590,050	6,845,058	7,118,123	2,158,950	326,894	126,885,100
Priority Total	110,436,075		13,963,181		2,485,844		

Sector-wise Strategy Allocation ,Fiscal Year -2005/06

**Annex-8 A
(Rs. in '000)**

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
His Majesty the King, Royal Family and Royal Palace	0	0	0	0	0	0	0	0	355,075	0	
10 His Majesty the King, Royal Family and Royal Palace	0	0	0	0	0	0	0	0	355,075	0	
11 His Majesty the King, Royal Family and Royal Palace	0	0	0	0	0	0	0	0	355,075	0	
Constitutional Bodies	0	0	0	0	0	0	51,436	330,495	1,455,313	15,480	1,
11 Constitutional Bodies	0	0	0	0	0	0	51,436	330,495	1,455,313	15,480	1,
12 State Council	0	0	0	0	0	0	0	0	13,340	4,300	
13 Parliament	0	0	0	0	0	0	0	0	203,682	5,400	
14 Court	0	0	0	0	0	0	7,800	235,500	562,399	210	
15 Commission for Investigation of Abuse of Authority	0	0	0	0	0	0	16,808	67,920	65,540	0	
16 Office of the Auditor General	0	0	0	0	0	0	14,507	1,875	72,760	0	
17 Public Service Commission	0	0	0	0	0	0	2,250	17,900	67,620	0	
18 Election Commission	0	0	0	0	0	0	0	0	362,045	4,850	
19 Office of the Attorney General	0	0	0	0	0	0	10,071	7,300	102,888	720	
20 Council of Justice	0	0	0	0	0	0	0	0	5,039	0	
General Administration	120,000	0	0	0	0	0	210,835	39,126	10,555,037	828,633	11,
12 General Administration	0	0	0	0	0	0	95,850	30,000	2,600,917	116,753	2,
14 Court	0	0	0	0	0	0	20,000	0	14,129	655	
27 National Vigilance Center	0	0	0	0	0	0	0	0	17,675	608	
30 Prime Minister and Council of Minister's Office	0	0	0	0	0	0	58,400	0	116,277	4,160	
35 Ministry of Finance	0	0	0	0	0	0	0	0	42,690	25,000	
38 Ministry of Industry, Commerce & Supply	0	0	0	0	0	0	0	0	24,501	525	
39 Ministry of Law, Justice and Parliamentary Affairs	0	0	0	0	0	0	9,450	0	28,746	455	
40 Ministry of Agriculture & Cooperatives	0	0	0	0	0	0	0	0	21,232	170	
45 Ministry of Home	0	0	0	0	0	0	8,000	30,000	887,475	27,490	
47 Ministry of Water Resources	0	0	0	0	0	0	0	0	11,612	500	
48 Ministry of Physical Planning and Works	0	0	0	0	0	0	0	0	24,239	700	
49 Ministry of Culture, Tourism and Civil Aviation	0	0	0	0	0	0	0	0	24,262	0	
50 Ministry of Foreign Affairs	0	0	0	0	0	0	0	0	1,038,604	16,435	1,
55 Ministry of Land Reform and Management	0	0	0	0	0	0	0	0	10,685	800	
56 Ministry of Women, Children & Social Welfare	0	0	0	0	0	0	0	0	20,094	130	
58 Ministry of Defence	0	0	0	0	0	0	0	0	5,717	130	

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Tota
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
59 Ministry of Forest and Soil Conservation	0	0	0	0	0	0	0	0	13,713	125	
61 Ministry of Environment, Science & Technology	0	0	0	0	0	0	0	0	31,546	0	
65 Ministry of Education & Sports	0	0	0	0	0	0	0	0	87,670	3,050	
66 Ministry of General Administration	0	0	0	0	0	0	0	0	63,456	5,220	
67 Ministry of Information and Communication	0	0	0	0	0	0	0	0	26,740	30,350	
69 Ministry of Local Development	0	0	0	0	0	0	0	0	36,915	175	
70 Ministry of Health and Population	0	0	0	0	0	0	0	0	17,529	0	
71 Ministry of Labour & Transport Management	0	0	0	0	0	0	0	0	9,740	75	
72 National Planning Commission Secretariat	0	0	0	0	0	0	0	0	25,670	0	
13 Police	0	0	0	0	0	0	0	0	7,276,289	604,140	7,
45 Ministry of Home	0	0	0	0	0	0	0	0	7,276,289	604,140	7,
14 Revenue & Financial Administration	120,000	0	0	0	0	0	25,500	4,000	610,225	107,740	
35 Ministry of Finance	120,000	0	0	0	0	0	25,500	4,000	610,225	107,740	
15 Planning & Statistics	0	0	0	0	0	0	89,485	5,126	67,606	0	
72 National Planning Commission Secretariat	0	0	0	0	0	0	89,485	5,126	67,606	0	
Defence	0	0	0	0	0	0	0	0	9,007,100	1,892,900	10,
21 Defence	0	0	0	0	0	0	0	0	9,007,100	1,892,900	10,
58 Ministry of Defence	0	0	0	0	0	0	0	0	9,007,100	1,892,900	10,
Social Services	2,615	7,210	9,126,448	11,331,301	1,449,898	906,788	1,512,426	2,000,733	17,598,945	258,175	44,
31 Education	0	0	4,395,975	1,918,490	774,316	1,900	0	0	13,772,499	185,950	21,
65 Ministry of Education & Sports	0	0	4,360,718	1,909,844	774,316	1,900	0	0	13,772,499	185,950	21,
69 Ministry of Local Development	0	0	35,257	8,646	0	0	0	0	0	0	
32 Health	0	0	3,212,594	1,522,842	70,000	0	204,753	55,125	2,574,469	39,335	7,
38 Ministry of Industry, Commerce & Supply	0	0	0	0	70,000	0	0	0	0	0	
69 Ministry of Local Development	0	0	87,230	0	0	0	0	0	0	0	
70 Ministry of Health and Population	0	0	3,125,364	1,522,842	0	0	204,753	55,125	2,574,469	39,335	7,
33 Drinking Water	0	0	506,535	4,606,010	0	0	22,349	2,095	16,572	200	5,
48 Ministry of Physical Planning and Works	0	0	505,400	3,671,415	0	0	22,349	2,095	16,572	200	4,
69 Ministry of Local Development	0	0	1,135	418,865	0	0	0	0	0	0	
87 Ministry of Finance - Investments - Public Enterprises	0	0	0	515,730	0	0	0	0	0	0	
34 Local Development	0	0	558,954	2,662,507	130,116	413,187	1,255,539	1,924,518	13,458	0	6,

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
69 Ministry of Local Development	0	0	228,954	2,592,507	90,116	413,187	1,255,539	1,924,518	13,458	0	6,
95 Ministry of Finance - Miscellaneous	0	0	330,000	70,000	40,000	0	0	0	0	0	
35 Other Social Services	2,615	7,210	452,390	621,452	475,466	491,701	29,785	18,995	1,221,947	32,690	3,
112 Population & Environment	0	0	15,714	300	0	0	0	0	0	0	
70 Ministry of Health and Population	0	0	15,714	300	0	0	0	0	0	0	
113 Women, Children & Social Welfare	0	0	31,000	0	314,983	4,057	0	0	45,185	90	
56 Ministry of Women, Children & Social Welfare	0	0	31,000	0	274,983	4,057	0	0	45,185	90	
95 Ministry of Finance - Miscellaneous	0	0	0	0	40,000	0	0	0	0	0	
114 Youth, Sports & Culture	0	0	108,004	230,696	11,500	0	0	0	190,668	1,300	
49 Ministry of Culture, Tourism and Civil Aviation	0	0	108,004	230,696	0	0	0	0	47,668	1,300	
65 Ministry of Education & Sports	0	0	0	0	11,500	0	0	0	143,000	0	
115 Housing	2,615	7,210	62,672	370,456	55,000	0	9,435	15,995	186,094	31,300	
45 Ministry of Home	0	0	0	0	55,000	0	0	0	0	0	
48 Ministry of Physical Planning and Works	2,615	7,210	57,972	365,656	0	0	9,435	15,995	186,094	31,300	
49 Ministry of Culture, Tourism and Civil Aviation	0	0	4,700	4,800	0	0	0	0	0	0	
116 Others - Social	0	0	235,000	20,000	93,983	487,644	20,350	3,000	800,000	0	1,
30 Prime Minister and Council of Minister's Office	0	0	0	0	27,730	480,369	0	0	0	0	
45 Ministry of Home	0	0	0	0	6,785	0	0	0	0	0	
61 Ministry of Environment, Science & Technology	0	0	30,000	0	0	0	20,350	3,000	0	0	
69 Ministry of Local Development	0	0	0	0	9,268	7,275	0	0	800,000	0	
72 National Planning Commission Secretariat	0	0	0	0	50,200	0	0	0	0	0	
95 Ministry of Finance - Miscellaneous	0	0	205,000	20,000	0	0	0	0	0	0	
Economic Services	3,929,651	14,595,490	391,459	3,775,237	433,959	389,225	728,425	454,259	3,829,148	85,702	28,
41 Agriculture	2,270,653	758,244	91,158	17,080	23,025	2,500	379,583	95,906	151,003	18,843	3,
35 Ministry of Finance	0	40,500	0	0	0	0	0	0	0	0	
40 Ministry of Agriculture & Cooperatives	2,270,653	128,722	91,158	17,080	23,025	2,500	379,583	95,906	151,003	18,843	3,
87 Ministry of Finance - Investments - Public Enterprises	0	589,022	0	0	0	0	0	0	0	0	
42 Irrigation	152,137	2,883,664	53,865	241,021	0	0	7,600	22,500	286,681	0	3,
35 Ministry of Finance	0	0	0	129,981	0	0	0	0	0	0	
40 Ministry of Agriculture & Cooperatives	0	0	53,865	111,040	0	0	0	0	0	0	
47 Ministry of Water Resources	152,137	2,883,664	0	0	0	0	7,600	22,500	286,681	0	3,

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Tota
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
43 Land Reform & Survey	0	0	0	0	10,974	50,325	226,611	49,466	451,420	2,116	
55 Ministry of Land Reform and Management	0	0	0	0	10,974	50,325	226,611	49,466	451,420	2,116	
44 Forest	320,603	156,190	38,553	32,637	55,210	600	10,466	1,609	1,296,494	3,039	1,
59 Ministry of Forest and Soil Conservation	320,603	156,190	38,553	32,637	55,210	600	10,466	1,609	1,296,494	3,039	1,
45 Industry	253,216	11,534	33,100	25,600	0	0	27,150	1,125	224,437	22,367	
38 Ministry of Industry, Commerce & Supply	253,216	11,534	8,700	0	0	0	27,150	1,125	224,437	22,367	
61 Ministry of Environment, Science & Technology	0	0	24,400	25,600	0	0	0	0	0	0	
46 Communications	61,900	510,300	4,312	10,500	0	0	35,000	20,000	992,883	32,937	1,
61 Ministry of Environment, Science & Technology	0	0	4,312	10,500	0	0	0	0	0	0	
67 Ministry of Information and Communication	61,900	482,800	0	0	0	0	35,000	20,000	992,883	32,937	1,
87 Ministry of Finance - Investments - Public Enterprises	0	27,500	0	0	0	0	0	0	0	0	
47 Transportation	56,145	4,659,955	23,164	513,651	0	0	1,550	26,025	324,358	0	5,
123 Road Transportation	56,145	4,629,955	23,164	513,651	0	0	1,550	26,025	324,358	0	5,
48 Ministry of Physical Planning and Works	56,145	4,629,955	6,850	283,150	0	0	0	15,500	273,613	0	5,
69 Ministry of Local Development	0	0	16,314	230,501	0	0	0	0	0	0	
71 Ministry of Labour & Transport Management	0	0	0	0	0	0	1,550	10,525	50,745	0	
124 Air Transportation	0	30,000	0	0	0	0	0	0	0	0	
87 Ministry of Finance - Investments - Public Enterprises	0	30,000	0	0	0	0	0	0	0	0	
48 Electricity	41,134	4,507,703	54,280	2,341,598	0	0	11,400	106,300	17,102	600	7,
47 Ministry of Water Resources	9,714	435,803	0	0	0	0	11,400	14,200	17,102	600	
61 Ministry of Environment, Science & Technology	31,420	2,300	54,280	790,498	0	0	0	0	0	0	
87 Ministry of Finance - Investments - Public Enterprises	0	4,069,600	0	1,551,100	0	0	0	92,100	0	0	5,
49 Other Economic Services	773,863	1,107,900	93,027	593,150	344,750	335,800	29,065	131,328	84,770	5,800	3,
126 Tourism	100,000	0	6,800	6,700	0	0	22,540	4,460	4,060	0	
49 Ministry of Culture, Tourism and Civil Aviation	100,000	0	6,800	6,700	0	0	22,540	4,460	4,060	0	
127 Metereology	0	0	32,334	21,450	0	0	0	0	16,282	0	
61 Ministry of Environment, Science & Technology	0	0	32,334	21,450	0	0	0	0	16,282	0	
128 Supply	0	0	0	0	260,000	0	0	0	0	0	
38 Ministry of Industry, Commerce & Supply	0	0	0	0	260,000	0	0	0	0	0	
129 Commerce	8,500	46,000	0	0	0	0	6,525	675	37,404	5,095	
38 Ministry of Industry, Commerce & Supply	8,500	46,000	0	0	0	0	6,525	675	37,404	5,095	

Sector/Ministry	01-Sustainable and broadbased economic growth		02-Social sector and infrastructure development		03-Targeted Programs		04-Governance		07-General Administration		Total
	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	Recurrent	Capital and Principal Repayment	
130 Labour	75,363	1,900	3,893	0	84,750	0	0	0	17,221	225	
71 Ministry of Labour & Transport Management	75,363	1,900	3,893	0	84,750	0	0	0	17,221	225	
131 Others - Economic	590,000	1,060,000	50,000	565,000	0	335,800	0	126,193	9,803	480	2,
35 Ministry of Finance	0	0	0	0	0	0	0	126,193	9,803	480	
72 National Planning Commission Secretariat	50,000	0	0	0	0	0	0	0	0	0	
87 Ministry of Finance - Investments - Public Enterprises	0	610,000	0	0	0	335,800	0	0	0	0	
95 Ministry of Finance - Miscellaneous	540,000	450,000	50,000	565,000	0	0	0	0	0	0	1,
Loan Payment	0	0	0	0	0	0	0	0	7,415,908	13,801,213	21,
73 Internal Loan Payment	0	0	0	0	0	0	0	0	4,972,455	7,263,500	12,
81 Ministry of Finance - Repayment of Domestic Debt	0	0	0	0	0	0	0	0	4,972,455	7,263,500	12,
74 External Loan Payment	0	0	0	0	0	0	0	0	2,443,453	6,537,713	8,
82 Ministry of Finance - Repayment of Foreign Debt - Mult	0	0	0	0	0	0	0	0	1,986,677	4,486,449	6,
83 Ministry of Finance - Repayment of Foreign Debt - Bilat	0	0	0	0	0	0	0	0	456,776	2,051,264	2,
Miscellaneous	10,000	0	0	0	0	0	242,795	600	7,423,560	322,500	7,
80 Miscellaneous	10,000	0	0	0	0	0	242,795	600	7,423,560	322,500	7,
35 Ministry of Finance	0	0	0	0	0	0	4,785	600	0	0	
95 Ministry of Finance - Miscellaneous	10,000	0	0	0	0	0	238,010	0	7,423,560	322,500	7,
Grand Total	4,062,266	14,602,700	9,517,907	15,106,538	1,883,857	1,296,013	2,745,917	2,825,213	57,640,086	17,204,603	126,
Strategy Total	18,664,966		24,624,445		3,179,870		5,571,130		74,844,689		

Estimate of Expenditure by Economic Heads and Line Items

Fiscal Year 2005/06

Annex 9
(Rs. in '000')

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
Recurrent	66,732,542	6,742,904	73,475,446	2,374,587	75,850,033
His Majesty the King, Royal Family and Royal Palace	355,075	0	355,075	0	355,075
His Majesty the King, Royal Family and Royal Palace	355,075	0	355,075	0	355,075
1 Consumption Expenses	30,560,967	252,907	30,813,874	62,186	30,876,060
1.01 Salary	18,518,763	146,300	18,665,063	39,904	18,704,967
1.02 Allowances	1,223,390	15,743	1,239,133	1,122	1,240,255
1.03 Transfer Travelling Allowance	205,323	313	205,636	480	206,116
1.04 Clothing	860,208	115	860,323	0	860,323
1.05 Fooding	3,655,469	3,330	3,658,799	0	3,658,799
1.06 Employee Medical Expense	912,670	0	912,670	0	912,670
1.07 Retirement Benifit	5,076,100	0	5,076,100	0	5,076,100
1.08 Staff Training	109,044	87,106	196,150	20,680	216,830
2 Office Operation and Services Expenses	3,580,028	839,784	4,419,812	130,332	4,550,144
2.01 Water and Electricity	371,801	8,403	380,204	667	380,871
2.02 Communication	242,601	8,431	251,032	1,507	252,539
2.03 General Office Expenses	968,301	153,809	1,122,110	10,429	1,132,539
2.04 Rent	521,253	32,799	554,052	2,740	556,792
2.05 Repair and Maintenace	548,522	20,417	568,939	3,309	572,248
2.06 Fuel and Oil	431,707	27,824	459,531	1,724	461,255
2.07 Consultancy and Other Services fee	230,989	581,136	812,125	104,907	917,032
2.08 Miscellaneous	264,854	6,965	271,819	5,049	276,868
3 Grants and Subsidies (Current Transfer)	19,445,036	3,686,894	23,131,930	928,840	24,060,770
3.01 Operating Subsidy - Public Enterprise	780,398	265,800	1,046,198	0	1,046,198
3.02 Local government - Unconditional Grant	1,226,122	0	1,226,122	0	1,226,122
3.03 Non profit Institutions - Unconditonal Grant	12,884,365	1,023,836	13,908,201	4,000	13,912,201
3.04 Subsidy Social Security	800,000	6,500	806,500	0	806,500
3.05 Non profit Institutions - Conditional Grant	2,402,747	1,232,774	3,635,521	745,909	4,381,430
3.06 Local Government - Conditional Grant	1,305,688	340,414	1,646,102	178,931	1,825,033
3.07 Scholarship	45,716	817,570	863,286	0	863,286
4 Service and Production Expenses	2,482,985	1,731,484	4,214,469	1,172,571	5,387,040
4.01 Production Materials	224,847	77,587	302,434	0	302,434
4.02 Medicines	406,371	292,082	698,453	516,100	1,214,553
4.03 Books and Materials	5,414	1,375	6,789	1,460	8,249

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
4.04 Program supplies and expenses	858,340	1,231,914	2,090,254	630,946	2,721,200
4.05 Program Travelling Expenses	852,341	122,946	975,287	24,065	999,352
4.06 Operation and Maintenance of Public Property	135,672	5,580	141,252	0	141,252
9 Contingency Expenses	2,709,543	231,835	2,941,378	80,658	3,022,036
9.01 Contingencies - Current	2,709,543	231,835	2,941,378	80,658	3,022,036
11 Interest Payments	7,415,908	0	7,415,908	0	7,415,908
11.01 Interest repayment - Domestic	4,972,455	0	4,972,455	0	4,972,455
11.02 Interest repayment - Foreign	2,443,453	0	2,443,453	0	2,443,453
12 Refund	183,000	0	183,000	0	183,000
12.01 Refund Expenditure	183,000	0	183,000	0	183,000
Capital	13,132,845	12,762,306	25,895,151	11,338,703	37,233,854
5 Capital Transfer	246,525	0	246,525	0	246,525
5.01 Land Acquisition	216,525	0	216,525	0	216,525
5.02 Building Purchase	30,000	0	30,000	0	30,000
6 Capital Formation	6,884,757	6,790,743	13,675,500	2,122,390	15,797,890
6.01 Furniture and Fixtures	89,795	16,951	106,746	3,360	110,106
6.02 Vehicles	388,713	65,863	454,576	13,415	467,991
6.03 Machinery and Equipment	1,563,670	388,016	1,951,686	285,369	2,237,055
6.04 Building Construction	1,059,776	978,695	2,038,471	147,000	2,185,471
6.05 Civil Construction	3,476,111	4,835,013	8,311,124	1,283,505	9,594,629
6.06 Capital Formation	206,642	74,733	281,375	0	281,375
6.07 Research and Consultancy Services Fee	100,050	431,472	531,522	389,741	921,263
7 Investment	1,255,322	1,520,730	2,776,052	5,155,000	7,931,052
7.01 Investment - Share	1,004,322	650,000	1,654,322	95,000	1,749,322
7.02 Investment - Loan	251,000	870,730	1,121,730	5,060,000	6,181,730
8 Capital Grants	3,793,741	4,305,833	8,099,574	4,061,313	12,160,887
8.01 Capital Grants to Public Enterprises	99,534	196,447	295,981	490,493	786,474
8.02 Local Government - Unconditional Grant	967,528	950,000	1,917,528	0	1,917,528
8.03 Non Profit Institution - Unconditional Grant	1,339,282	440,350	1,779,632	1,690,200	3,469,832
8.05 Non Profit Institution - Conditional Grant	402,676	1,420,867	1,823,543	1,110,147	2,933,690
8.06 Local Government - Conditional Grant	984,721	1,298,169	2,282,890	770,473	3,053,363
9 Contingency Expenses	952,500	145,000	1,097,500	0	1,097,500

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
9.02 Contingencies - Development	952,500	145,000	1,097,500	0	1,097,500
Principal Repayment	13,801,213	0	13,801,213	0	13,801,213
10 Principal Payments	13,801,213	0	13,801,213	0	13,801,213
10.01 Principal repayment - Domestic	7,263,500	0	7,263,500	0	7,263,500
10.02 Principal repayment - Foreign	6,537,713	0	6,537,713	0	6,537,713
Grand Total	93,666,600	19,505,210	113,171,810	13,713,290	126,885,100

Actual Expenditure by Economic Heads and Line Items

Fiscal Year 2003/04

Annex - 9 A
(Rs.)

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
Current Expenditure	51,566,101,584	2,954,185,275	54,520,286,859	1,031,841,959	55,552,128,818
His Majesty the King, Royal Family and Royal Palace	329,148,975	0	329,148,975	0	329,148,975
His Majesty the King, Royal Family & Royal Palace	329,148,975	0	329,148,975	0	329,148,975
1 Consumption Expenses	23,671,384,541	229,422,976	23,900,807,518	21,188,723	23,921,996,240
1.01 Salary	14,416,570,146	172,756,530	14,589,326,676	0	14,589,326,676
1.02 Allowances	1,059,755,777	24,465,084	1,084,220,861	0	1,084,220,861
1.03 Transfer, Travelling Allowances	127,626,314	3,202,321	130,828,636	0	130,828,636
1.04 Clothing	713,027,901	389,018	713,416,920	0	713,416,920
1.05 Food	3,253,516,330	2,050,324	3,255,566,655	0	3,255,566,655
1.06 Employee's Medical Expenses	708,762,928	0	708,762,928	0	708,762,928
1.07 Retirement Benefit	3,273,713,540	0	3,273,713,540	0	3,273,713,540
1.08 Staff Training	118,411,604	26,559,698	144,971,302	21,188,723	166,160,025
2 Office Operation and Services Expenses	4,111,191,769	315,361,213	4,426,552,983	198,691,725	4,625,244,708
2.01 Water and Electricity	603,130,752	14,644,982	617,775,735	0	617,775,735
2.02 Communication	235,396,576	11,814,025	247,210,600	178,181	247,388,781
2.03 General Office Expenses	992,423,325	76,959,898	1,069,383,223	1,282,047	1,070,665,270
2.04 Rent	481,314,135	35,411,108	516,725,243	0	516,725,243
2.05 Repair and Maintenance	447,228,513	34,347,998	481,576,511	178,021	481,754,532
2.06 Fuel and Oil	479,889,600	34,192,805	514,082,405	0	514,082,405
2.07 Consultancy and Other Services fees	141,409,676	90,443,561	231,853,237	194,412,576	426,265,813
2.08 Miscellaneous	730,399,191	17,546,836	747,946,028	2,640,901	750,586,929
3 Grants and Subsidies (Current Transfer)	15,069,181,580	1,202,093,393	16,271,274,972	517,025,034	16,788,300,006
3.01 Operating Subsidy to Public Enterprises	448,080,145	238,167,000	686,247,145	35,909,668	722,156,812
3.02 Operating Subsidy to Local bodies	797,446,492	232,474,936	1,029,921,429	162,075,437	1,191,996,865
3.03 Social Security Grants	13,222,664,202	731,323,255	13,953,987,457	319,039,929	14,273,027,386
3.04 Social Security Sunsidies	600,990,741	128,201	601,118,942	0	601,118,942
4 Service and Production Expenses	1,816,709,127	1,207,307,693	3,024,016,820	294,936,478	3,318,953,298
4.01 Production Materials	218,996,759	48,955,729	267,952,488	0	267,952,488
4.02 Medicines	382,253,269	87,003,252	469,256,521	251,739,239	720,995,760
4.03 Books and Materials	12,502,266	24,377,160	36,879,426	0	36,879,426
4.04 Program supplies and expenses	484,999,253	939,716,847	1,424,716,100	43,013,773	1,467,729,874
4.05 Program Travelling Expenses	614,733,303	105,494,398	720,227,701	183,465	720,411,166
4.06 Operation and Maintenance of Public Property	103,224,277	1,760,307	104,984,585	0	104,984,585

Economic Heads and Expenditure Line Items	Cash			Direct Payment and Commodity Grant	Total
	HMG	Foreign Cash	Cash Total		
11 Interest Payments	6,543,884,270	0	6,543,884,270	0	6,543,884,270
11.01 Interest repayment - Domestic	4,402,180,990	0	4,402,180,990	0	4,402,180,990
11.02 Interest repayment - Foreign	2,141,703,281	0	2,141,703,281	0	2,141,703,281
12 Refund	24,601,321	0	24,601,321	0	24,601,321
12.01 Refund Expenditure	24,601,321	0	24,601,321	0	24,601,321
Capital Expenditure	8,169,242,163	7,414,202,177	15,583,444,339	7,512,165,418	23,095,609,758
5 Capital Transfer	290,713,519	0	290,713,519	0	290,713,519
5.01 Land Purchase	285,278,324	0	285,278,324	0	285,278,324
5.02 Building Purchase	5,435,195	0	5,435,195	0	5,435,195
6 Capital Formation	5,477,439,876	3,696,329,698	9,173,769,574	2,018,686,001	11,192,455,576
6.01 Furniture	54,974,309	8,510,347	63,484,655	54,000	63,538,655
6.02 Vehicles	735,710,305	14,527,355	750,237,661	1,056,020	751,293,681
6.03 Machinery & Equipment	1,465,031,868	37,550,847	1,502,582,714	5,292,834	1,507,875,548
6.04 Building Construction	713,829,129	199,585,319	913,414,447	11,846,498	925,260,946
6.05 Civil Construction	2,383,692,088	3,263,538,209	5,647,230,296	1,894,203,720	7,541,434,016
6.06 Capital Formation	94,213,632	21,617,494	115,831,126	0	115,831,126
6.07 Research and Consultancy Services Fees	29,988,546	151,000,127	180,988,674	106,232,929	287,221,603
7 Investment	784,359,869	1,262,134,535	2,046,494,404	3,884,868,000	5,931,362,404
7.01 Investment - Share	135,400,000	459,419,770	594,819,770	0	594,819,770
7.02 Investment - Loan	648,959,869	802,714,765	1,451,674,634	3,884,868,000	5,336,542,634
8 Capital Grants	1,616,728,899	2,455,737,944	4,072,466,842	1,608,611,417	5,681,078,259
8.01 Capital Grants to Public Enterprises	465,861,183	8,844,521	474,705,704	189,266,539	663,972,242
8.02 Capital Grants to Local Bodies	408,603,002	1,919,882,702	2,328,485,704	175,600,691	2,504,086,395
8.03 Capital Grants to Non Profit Institution	742,264,714	527,010,720	1,269,275,434	1,243,744,188	2,513,019,622
Principal Repayment	10,794,854,525	0	10,794,854,525	0	10,794,854,525
10.01 Principal repayment - Domestic	5,029,035,413	0	5,029,035,413	0	5,029,035,413
10.02 Principal repayment - Foreign	5,765,819,112	0	5,765,819,112	0	5,765,819,112
Grand Total	70,530,198,271	10,368,387,452	80,898,585,723	8,544,007,378	89,442,593,101