**Budget Summery of 2082/83**



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[Company]

## ****Budget summery (2082-83)****

## ****Expenditure and Revenue Related Plans****

### ****Expenditure**:**

* Total expenditure: 1.9 trillion 64 billion 11 crores
* Current expenditure: 1.1 trillion 80 billion 98 crores
* Capital expenditure: 0.5 trillion 7 billion 89 crores
* Financial management expenditure: 0.3 trillion 75 billion 25 crores

### ****Revenue**:**

* Revenue collection: 1.3 trillion 19 billion domestic grant 53 billion 45 crore
* Domestic debt: 0.2 trillion 33 billion 66 crores to be raised
* 0.3 trillion 62 billion internal debt to be managed

**Government's goal for the upcoming fiscal year is 6 percent economic growth target Budget**

## ****Summary related to stock market****

* The government has planned to tax discount taxation on income production incentives and electricity discount for hotels.
  + Will give boost to the hotels sectors.
  + New hotel projects become more attractive with lower operating costs
  + Hotels sectors margin will improve
* Nepal Telecom Company will float 30 percent of its shares in the general public.
  + Will increase the supply of NTC stock
  + Will impact the stock price the current NTC price
  + Stock price of NTC may decrease to good fundamentals level
* Restructuring of NEPSE and services institutions to increase institutional capacity.
* Necessary infrastructure improvements to increase investor confidence.
* The government has given high priority to listed companies in the secondary market.
* Non-resident Nepalis will be given secondary market trading facilities.
* Capital gain tax to remain same.
  + Good for the market as market rumors was expecting increase in tax
* Government bond to be traded in secondary market.
  + Government bonds become liquid instruments rather than hold-to-maturity investments
  + Government bonds provide risk-free benchmark for equity valuations and equity premium will be more accurately priced.
  + Increase liquidity.
* Asset management companies will be opened for the management of non-banking assets.
  + Good for banks as the NPL transfer frees up regulatory capital for lending
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  + Increase profitability in banks and banks will be able to focus on core business of lending.
* Arrangements can be made for employee savings funds and civil investment funds to invest in direct equity and venture capital.
  + Additional capital will be available for VC
  + More startup may get funding mainly hydropower.
* Priority will be given to hydropower and electricity projects.
  + Hydropower will be priority sector
  + Less regulation in the sector will remain as they have to increase electricity production.

## Budget Summary (Other Important Points)

* The government has allowed companies established in Nepal to invest abroad. Companies investing abroad will have to bring 50 percent of their profits back to Nepal.
* The government has made arrangements to register industry, business or company in the name of women and to waive renewal fees.
* To regulate the import and use of mobile sets, the government has made mandatory arrangements to register IMEI numbers.
* Arrangements have been made so that the process of land registration and ownership can be done easily online.
* Citizens above 70 years of age will get senior citizen allowance.
* National identity card will be required for all types of financial transactions.
* Monthly allowance increased to 5000 rupees.
* Income tax and customs law to be revised.
* Customs duty rates to be increased on liquor, cigarettes and chewing tobacco.
* Arrangements made to facilitate foreign employment.
* Startup businesses to be given 5 percent interest on annual turnover for 10 crores.
* 5 percent income tax exemption for industries involved in electric vehicle assembly.
* 3 percent interest on loans for startups.
* Land tax removed from government's foreign business.
* Tax increase on liquor, cigarettes and chewing tobacco.
* Vat on digital transaction waived

Overall budget good with no surprises. However, implementation will remain skeptical.

Others MAJOR HIGHLIGHTS OF BUDGET 2082/83

* Minimum support price (samarthan mulya) of crops like paddy, maize, wheat, sugarcane, coffee etc. will be defined 15 days prior to the planting season.
* Classification, merger, and structural reform of cooperative institutions will be carried out. Effective regulations of saving andcredit cooperatives will be ensured through the National Cooperative Regulatory Authority.
* Deposits of up to five lakh rupees in cooperative institutions will be insured through Deposit and Credit Guarantee Fund cooperative loan recovery tribunal will be established.
* Industries obtaining approval to establish new industry in Special Economic Zones and industrial areas will be granted rent exemptions during the initial three years of operation. The monthly rental rate in Special Economic Zones has been reduced from NPR 20 per square meter to NPR 5 per square meter. Industries located in industrial areas that export more than 30% of their production will be eligible for the same concessions as those provided to industries in Special Economic Zones.
* Arrangements will be made to allow Nepali citizens to receive sweat equity shares when they provide expertise, knowledge, or services of a special nature to foreign companies.
* Civil Aviation Authority of Nepal (CAAN) will be restructured by separating it into a regulatory body and a service provider entity, and institutional strengthening will be carried out accordingly.
* Necessary preparation will be done to properly account for carbon credit generated from activities aimed at reducing carbon emissions
* Government bonds will be traded in the secondary market. Non-Resident Nepalese will be allowed to invest in the secondary market.
* Act will be formulated to regulate credit transactions
* Intangible currencies such as cryptocurrency, illegal foreign currencies and similar assets shall be seized.
* 30% of Nepal Telecom's shares will be sold to the general public while maintaining more than 50% ownership of the Governmen of Nepal
* Subsistence allowance provided to government employees will be increased to NPR 5,000 per month, effective from Shrawan 1, 2082.
* Voter ID card will be linked with National ID card.
* Infrastructure projects will be constructed using alternative financing.
* Senior citizenship allowance will be provided only to those aged over 70 years. The age limit remains the same for those currently receiving the allowance, as well as for individuals from remote and marginalized areas.
* The contingency amount will be reduced to 3% for projects with a cost estimate of NPR 1 billion, and to 2% for projects with a cost estimate exceeding NPR 1 billion.