

NEPAL BUDGET BRIEF 2081-82

HIGHLIGHTS FROM TAX PERSPECTIVE



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OBJECTIVE OF BUDGET

1

Increase production, productivity and employment.

2

Boost the morale of the private sector, increase investment and bring dynamism in economic activities.

3

Develop human resources.

4

Mobilize resources in a balanced and systematic manner to reduce economic inequality and poverty.

5

Make public service delivery effective.



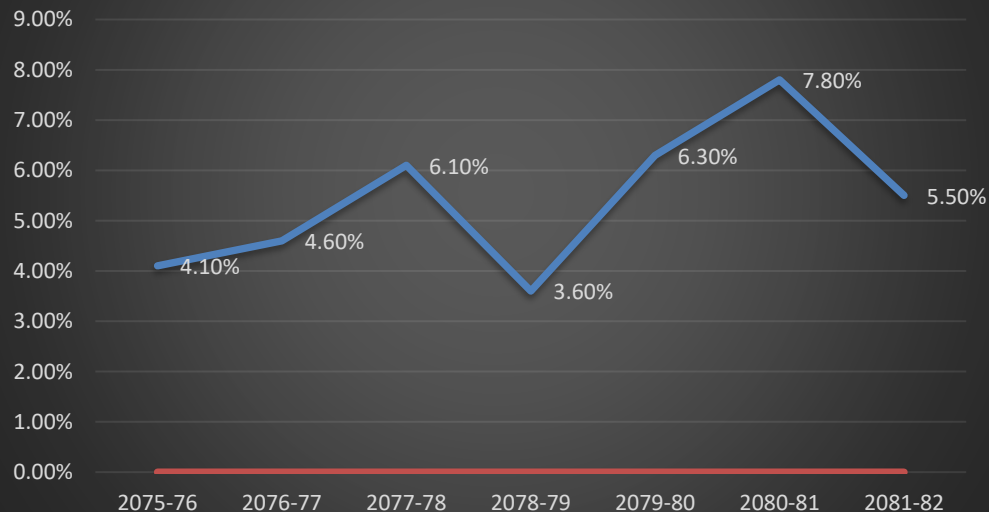
ECONOMIC OVERVIEW

Economic Overview

The Nepali economy faced significant challenges in the current fiscal year that hindered expected economic expansion. Reduced consumer demand, low credit growth, underutilization of productive sectors, and a decline in imports resulted in the preliminary economic growth estimate being just 3.9% in real terms. Price rises were restrained at 4.6% in Chaitra. External trade figures were also disappointing, with imports declining by 2.8% and exports decreasing by 3.7% as of mid-Chaitra. However, the balance of payments surplus stood at a healthy Rs. 65 billion, and foreign exchange reserves were sufficient to cover 12.5 months of imports of goods and services. Remittance inflows grew by 19.8%.

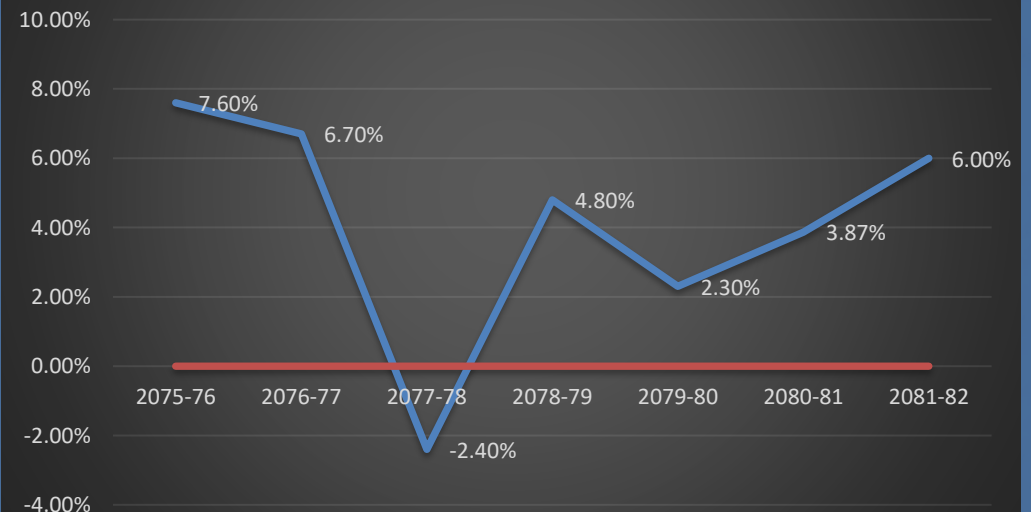
Inflation Rate

(Actual inflation till 2079-80 and estimated inflation for 2080-81 and 2081-82)



Economic Growth Rate

(Actual growth till 2079-80 and estimated growth for 2080-81 and 2081-82)



BUDGET OVERVIEW

A high-angle, top-down view of a business meeting around a wooden table. Several people in business attire are visible, with their hands and arms reaching towards the center. On the table are two open laptops, several printed reports titled 'Monthly Report', and a smartphone. The reports contain various data visualizations including pie charts, bar charts, and line graphs. The entire image has a blue color overlay.

Budget Overview

On the fiscal front, the revised estimate for total government expenditure in the fiscal year 2080/81 is Rs. 1530.35 billion (87.4% of the allocated budget). This includes current expenditure of Rs. 1067.49 billion (93.5% of allocation), capital expenditure of Rs. 215.30 billion (71.3% of allocation), and financial provisions of Rs. 247.55 billion (80.5% of allocation). Revenue collection is projected to reach Rs. 1253.52 billion (88.1% of the target), with foreign grants and loans estimated at Rs. 34.34 billion and Rs. 145.44 billion, respectively. To finance the expenditure, the government had initially planned to raise Rs. 240 billion through domestic borrowing, but as of Baisakh-2081, only Rs. 191 billion has been raised.

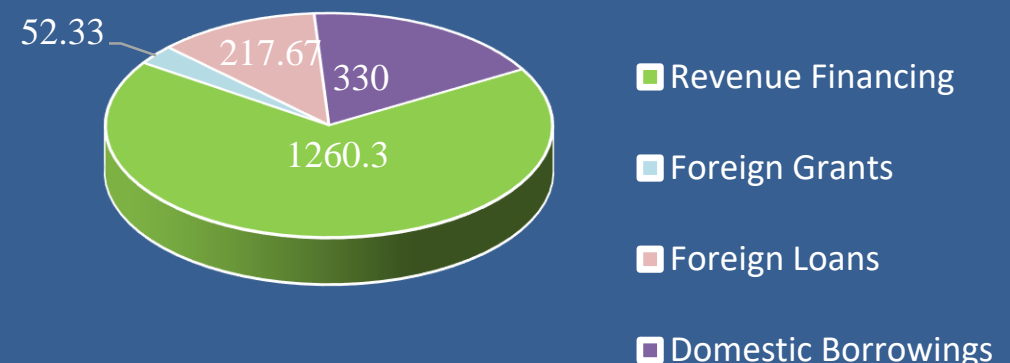
This expenditure estimate is 6.2% higher than the current fiscal year's allocation and 21.56% higher than the revised estimate. The total allocation includes Rs. 408.87 billion for financial transfers to provinces and local levels.

Budget Allocation for Fiscal Year 2081-82



Expenditure Head	Amount (In Rs. Billions)	Percentage
Capital Expenditure	352.35	18.94%
Current Expenditure	1,140.66	61.31%
Financial Provisions	367.28	19.74%
Total Budget	1,860.30	

Financing Sources For Budget in Rs. (Billion)



Budget Overview

- Nepal aims to develop as an IT hub within the next decade, targeting Rs. 3,000 billion in exports and creating 500,000 direct and 1,000,000 indirect jobs in the IT sector.
- Janakpur will be promoted as a Wedding Hub and Lumbini as a Birthing Hub. Support will be provided for international conferences on Sanatan Dharma and culture, and efforts will be made to include Janaki Temple in the World Heritage list.
- To facilitate investment and simplify processes, amendments will be made to industry and investment laws, including the Industrial Enterprise Act and Company Act. Additionally, new laws on intellectual property and derivatives will be introduced.
- A Sovereign Wealth Fund will be created to direct remittances into productive areas, using a special purpose vehicle to support public infrastructure investment.
- The export value limit for domestic products, with the option to submit documents later, has been raised from USD 10,000 to USD 25,000, aiming to aid small and medium-sized export Industries.
- Closed Government owned industries like Biratnagar Jute Mill, Hetauda Textile Industry, Gorakhkali Rubber Industry, and others will be revived through public-private partnerships.

Budget Announcements -Taxation

- **Develop a model double taxation** avoidance agreement to negotiate and increase investment inflow from potential countries.
- **Modernize customs offices** with advanced equipment like scanners and detectors to enhance security
- Digitalize the revenue services using **AI and paperless systems**
- **Enable seamless integration** between taxpayer and tax administration IT systems, allowing filing through portal and API
- Implement **e-assessment and Faceless Audits**
- Formulate **Transfer Pricing guideline**
- Resolve the issues in the implementation of refund of **10% of VAT paid through digital means.**
- A **study** will be conducted on Problems faced due to **tax disputes, including tax assessment** and solutions will be provided to these problems
- Specific criteria with **required qualifications and work experience** will be formulated and implemented for the appointment of department heads of the revenue administration.
- A system will be put in place requiring all taxpayers registered for (VAT) to **mandatorily issue invoices** through the electronic system in a gradual manner.
- A **tax expenditure** system will be adopted to reflect the tax revenue rebate by the government in **granting tax exemptions** in the government's financial reports.
- An **automated system** will be expanded to establish a linkage between the financial statements submitted to banks and financial institutions and the information submitted to the Inland Revenue Offices.

Priorities of Budget 2081-82



Economic reforms and promotion of the private sector



Development of agriculture, energy, information technology, tourism, industrial development, and infrastructure construction



Development of social sectors such as education and health



Promotion of good governance and improvement in the delivery of public services



Inclusiveness and social security



Tax?



Tax Amnesty Schemes 2081-82



Income Tax Exemption for Filing Income Tax Return

Taxpayers with a Permanent Account Number who have not filed their income tax returns will be exempted from any applicable fees and 75% interest charges if they file their returns by paying due income tax and 25% of the applicable interest by the end of Falgun 2081.



Income Tax Exemption on PAN Registration

Taxpayers will be exempted from paying any fees and interest charges and need not file returns or pay any tax, fees, or interest for prior fiscal years if they get registered in PAN and file their income tax returns for fiscal years 2078/79 and 2079/80 by paying the applicable tax at the end of Falgun 2081.



Value Added Tax Exemption to Taxpayers not Submitting VAT Returns

The fines, additional fees, and remaining interest of Taxpayers registered on VAT who have not submitted VAT Returns till the end of Ashad 2080 shall be waived if they submit their VAT Returns and pay the due VAT amount along with 50% of the applicable interest by Falgun end 2081.



Value Added Tax Exemption International Transport Providers

All VAT dues, fines, additional fees, and interest will be fully waived to the international airlines on air transport services provided between Jestha 15, 2080 to Asoj End 2080 whether they are registered in VAT or not and have not collected or paid VAT.

For international airlines not operating flights from Nepal, if they register in VAT and pay the VAT collected since Jestha 15, 2080 by the end of Ashad 2081, any interest, fines and additional fees will be waived.



Value Added Tax Exemption Transportation Providers

Persons providing transportation services or vehicle rentals who are required to get registered in VAT or who have conducted taxable transactions without collecting VAT between 15 Jestha 2076 and 14 Jestha 2078, can have their remaining VAT dues, fees, interest, and fines waived by paying 1% of the transaction value within the end of Mangsir 2081. Additionally, for the above business transactions, if there is tax due through assessment or under administrative review or pending in judicial bodies is withdrawn and 1% of the transaction amount is paid by end of Mangsir 2081, the remaining tax, additional fees, interest, and penalties will be waived.



Value Added Tax Exemption on Domestic Production of Potato, Onion and Apple

The VAT due, along with any assessed VAT, interest, additional fees, and fines, will be exempted, if an individual trading domestically produced potatoes, onions, and garlic did not collect VAT for transactions until 14th Jestha 2081.



Value Added Tax Exemption Information Institution

An institution established under Section 88 of the NRB Act, 2058, to provide credit information services to NRB-licensed BFIs must be registered in VAT by the end of Asar 2081, and if they pay 50% of the collectable VAT by the end of Ashwin 2081, the remaining VAT, fines, interest, and additional fees will be exempted.

Similarly, in cases where tax liabilities arise from assessments, administrative reviews, or judicial proceedings, if the determined tax amount is deposited by the end of Ashwin 2081, the remaining tax dues, additional fees, interest, and penalties will be waived.

Amendment in Income Tax Act

Contribution-Based Retirement Payment

Definition of Contribution based retirement benefit has been introduced under section 2(Tra1), as "Payment consisting of the amount deducted monthly from the employee's or worker's remuneration and contributed to the approved retirement fund by the employer as retirement contribution, along with the accumulated increase on that amount".

The act has imposed 15% withholding tax on non-contribution-based payments, while contribution-based payments are subject to only 5% withholding tax. This provision has clarified contributory based payment further the non-contributory based retirement has been imposed 15% tax.

Permanent Establishment

Definition of Permanent Establishment has been introduced under section 2(KaDa)(5), "If a significant digital presence is established in Nepal from outside Nepal, or if data or services are transacted in Nepal for at least 90 days in the past 12 months by maintaining a server outside Nepal."

This subsection aims to levy tax to the businesses providing digital services from outside Nepal. However, tax administration may face difficulty in assessing the gains of permanent establishments due to complex expense allocation of multiple business locations.

It also raises questions about the existing digital tax on digital service providers.

Removal of Income Tax Exemption

Income earned as per the objective of the Water Supply and Sanitation Consumer Association, previously tax-exempt under section 10(Ta) of the Water Resources Act, 2049, is **now taxable**.

Valuation Method of Transfer Pricing

The amendment has added subsection 33(3) which explains that the valuation method for transfer pricing among associated persons shall be as prescribed by the Department. The Department is required to follow this prescribed method while valuating transfer pricing.

Exemption to Information Technology Industries

IT industries shall be **granted 100% exemption on the dividend tax** applicable on the capitalization of their retained earnings into shares, provided this capitalization is done for the purpose of expanding the capacity of the respective industry.

Furthermore, Information Technology Industry has been defined as industries related to technology parks, information technology parks, biotech parks, software development, data processing, digital mapping, business process outsourcing, data mining, and cloud computing.

Advance Tax Paid as Per Section 95Ka Allowed as Deduction

As a result of this amendment in section 95, the excess advance tax paid as per section 95Ka(7) in the Custom Office after settling tax liability shall not be carried forward to the next income year or refunded as per section 113. However, this excess amount shall be allowed for deduction as per section 21(1)(Kha) only in the respective fiscal year.

Furthermore, in case of amended assessment as per section 101 in future years, the taxpayer has to pay the tax along with interest as per section 118 even though the taxpayer had sufficient advance tax, due to non-availability of carry forward of advance tax.

Salary Payment through Bank

The new introduced section 21(1)(Nga1) disallows monthly **salary payment of more than Rs. 25,000** not paid through bank.

As a result, salary that are not paid through banks of more than Rs. 25,0000 are not allowed for deduction. However, the section does not cover the payments made to employees in kind and payments made from digital wallets.

Non-Application of Section 57 in Addition of New Shareholder

Section 57 has been amended which explains that this section does not apply in the event of increase in capital of the company due to addition of new shareholder without any changes on the number of shares and total capital of existing shareholder.

Thus, it helps to create investment opportunities for the new investors.

Issuance of Electronic Invoice

New subsection 81(5) explains that the Department may, by publishing a notice, order the taxpayer specified in such notice to compulsorily issue invoices through electronic means and integrate such electronic means with the Department's Central Billing Monitoring System (CBMS).

This has opened horizon to IRD for the adoption of CBMS who are issuing invoices through electronic means, and other tax payers deemed appropriate by the department.

Section 81(6) has been added which explains that the Department shall formulate and implement procedures regarding the security and reliability of the software or devices used for issuing invoices through electronic means. Such procedures shall be complied with by the concerned producers, distributors and users.

The Income Tax Act has been amended to broaden its scope to include a wider range of information technology-related activities.

Assessment of Undisclosed Property Source

Section 101Ka has been added which explains that on receipt of the complaint by Department regarding tax assessment of the person's undisclosed property source as per section 28 of Asset (Money) Laundering Prevention Act, 2064, the Department shall investigate whether the tax related offense has been committed or not.

Furthermore, the section explains if the tax offense has not been found then the department shall collect the income tax with highest tax rate for the fiscal year.

It ensures that individuals with undisclosed property sources are scrutinized and heavily taxed for accumulating income illegally without paying the required taxes.

Restriction on Depositing Business Incomes on Personal Account

New section 81Ka has been introduced which explains that any money received related to business transactions, in cash, cheque, QR code and any other electronic means cannot be deposited into personal accounts.

The introduction of this section helps to prevent misutilization of business income for personal use and suppressing business incomes.

No Installment Tax on Gains from Non-Business Assets

It is not required to deposit the advance tax in the form of installments which is calculated in accordance with section 95(ka) on the income from the disposal of non-business chargeable assets (Shares and Land owned by individual).

This section relieves the taxpayers for paying interest as per section 118 on income derived from non-recurring transactions.

Withholding Tax on Awards

Withholding tax is levied on the additional amount in excess of Rs. 5 lakhs for any national and international award received for contribution made to literature, art, culture, sports, journalism science, technology and public administration as mentioned in 88A(2). Previously, the section mentioned windfall tax is not levied on reward up to Rs. 5 lakhs.

It provides clarity regarding imposition of withholding tax on the amount exceeding Rs. 5 lakhs.

Change in Fines

- Section 117(1)(Ga) has been revised, raising penalty for presumptive taxpayers (section 4(4)) who fails to file income tax return from Rs. 100 per month to Rs. 1,200 per return. For periods less than a year, the penalty remains Rs. 100 per month.
This provision reduces fines for non-filers who have not filed income tax return from more than a year and encourages compliance. However, it creates a disparity as current filers of income tax return face higher fees compared to non-filers of income tax return for more than a year.
- Section 119A has been amended with following provisions.

Conditions	Fine and Penalty
Taxpayer mentioned under section 81(4) is found using software that can manipulate or alter data while issuing electronic invoices	Rs. 500,000
Taxpayer mentioned under section 81(4) does not comply with the procedures issued by Department	Rs. 500,000
Violation of section 81A by depositing amount received from business transaction into personal account	Rs. 5,000 or 2% of the total amount
Non-compliance with any provision of this Act or rules	Rs. 5,000 to Rs. 25,000

Thus, section 119A has increased penalties regarding inappropriate invoicing and the personal use of business income aiming to enhance compliance and streamline tax processes.

Changes in Withholding Tax Rates

Changes in withholding tax rates due to amendment are mentioned hereunder:

Section	Provision	Old Rate	New Rate
88(1)(9)	Withholding tax on payment of interest on loan taken in foreign currency from Foreign Bank and Other Financial Institution by resident Bank and Financial Institution to invest in area prescribed by NRB.	10%	5%
95Ka(7)(Ka)	Live animals under Chapter 1, Meat and edible meat offal (byproducts) under Chapter 2, Live, fresh or chilled fish and all kinds of fish products under Chapter 3, Flowers and other products under Chapter 6, Edible vegetables and certain roots and tubers under Chapter 7, Edible fruits and nuts and other products under Chapter 8.	5% (1.5% if VAT attracts on these items)	10% (1.5% if VAT attracts on these items)
95Ka(7)(Kha)	Dairy products, eggs, honey and other products under Chapter 4, All cereals except seeds under Chapter 10, flour, groats and meal and other products under Chapter 11, plants, sugarcane under Chapter 12 and vegetable products under Chapter 14	2.5% (1.5% if VAT attracts on these items))	2.5% (1.5% if VAT attracts on these items)

The rise in advance tax rates has created a challenging scenario for taxpayers, who are now required to pay higher taxes upfront without any provisions for refund or carry forward for surplus advance tax remaining in the fiscal year.

AMENDMENT IN VAT

Registration threshold of Non-Resident Persons providing Electronic Services

The threshold for VAT registration for Non-Resident Persons providing Electronic Services has been revised to Rs. 3 million on section 10(Kha1). Furthermore, this is also applicable to Non-Resident Persons providing Air Transport Services.

Changed Threshold on Deregistration

As per section 11(1)(Cha) the threshold for deregistration of person conducting service business, mixed transaction of goods and services has been revised as Rs. 3 million.

In essence, the registration threshold as per Value Added Tax Act, 2052 has been increased to Rs. 3 million from Rs. 2 million.

Restriction on Import or Export

Section 18(3) has been added that explains the tax officer may suspend the import or export activities of the taxpayer if he/she fails to file tax return within four months after the due date for filing the tax return.

This aims to foster compliance among taxpayers regarding submission of returns to the Department.

List of changes in VAT Exempt goods and services and VAT Attractive Goods and Services are mentioned in Annex 1 of this report.



Excise Duty

Change in Definition of Tobacco Products

Tobacco products definition mentioned in section 2(Ja1) now includes cigars, electronic cigarettes (vape) and hookahs.

This aims to include the new type of tobacco products being emerged in the market.

Revision of Exemption on Deregistration of Duty-Free Imported Old Vehicles

The amendment allows duty-free exemption for scrapping vehicles over **10 years old (previously 15 years)** imported under duty privileges by:

- Diplomatic missions
- Projects
- Individuals
- Government agencies
- Non-governmental organizations

This applies after obtaining approval from the Ministry of Finance and certifying the vehicles are unfit for further use or deregistered.

Additionally, it extends the exemption to diplomatic mission/staff vehicles that cannot be operated due to accidents or technical issues, enabling their scrapping without duty.

Penalty for non-renewal

Section 9(6Ka) has been amended to add penalty at the rate of 200% for the remaining period of the fiscal year if the producer or importer fails to renew in excise even after the end of Magh.

Counterfeit Excise Ticket

Counterfeit excise stamp explanation has been added as such in section 10(Ta) as such:

- (1) One that does not have the approved security features, characteristics or quality standards as approved by the Department, or is different from them.
- (2) An excise stamp issued for one industry or establishment but used by another industry or establishment.
- (3) An excise stamp issued for the production of one category (category) of products but used in the production of another category without the approval of the Department.
- (4) A reuse of an excise stamp that has already been used once.
- (5) Damaged, torn or having a fake (counterfeit) QR code.

This provides clarity regarding counterfeit excise ticket which was missing in previous act.

Destruction of Excise Stickers

Section 10(Tha) has been added which explains that the committee designated may ascertain the quantity and destroy excise tickets that are kept in stock with the decision not to use them because they do not meet the prescribed characteristics or standards, those without records, those affected by moisture, covered with dust, damaged by mold, torn, with altered Government of Nepal emblem making them unfit for use, with mismatched serial numbers, without serial numbers, with mismatched size and shape, partially burned due to fire, damaged due to destructive activities, or in any other condition making them unusable.

However, in the case of old excise stamps whose quantity cannot be ascertained, the committee may destroy them after preparing an on-site report of their condition.

Furthermore, expired tobacco products, cigarettes, beer, wine, and other non-consumable excisable goods can be destroyed as specified.

Custom Duty

Decrease in the Time Limit of Post Clearance Audit

The time limit for the post clearance audit as per section 34(18) has been decreased to 2 years from 4 years.

However, if an importer or exporter is found to have provided false documents or underpaid duties, the Customs officer, with the approval of Director General can conduct an examination beyond the two-year limit.

Increment in Time Limit for Taking Clearance of the Seized Goods

Public notice to be issued by Custom Office for clearance of goods has been increased to 15 days from 7 days.



Green Tax (हरित कर)

S

For goods imported in Nepal, a green tax will be levied and collected **at customs points**



Coal, Coke - Rs. 0.5/Kg



Petrol/Diesel - Rs. 1/Ltr



Fuel Oil
Furnace Oil - 0.5%
Base Oil



Petroleum Oils - 1.0%



Annex-I

Added in Schedule I of VAT Act (Now these goods are VAT exempt)

Group	Description of Goods or Services
Group 1 : Basic Agricultural Products	Potatoes, fresh or chilled
	Onions and shallots
	Apples
Group 3: Animals and Animal Products	Meat of Goats

Removed from the Schedule I of VAT Act (Now these goods are Vatable)

Group	Description of Goods or Services
Group 1 : Basic Agricultural Products	Mangosteens
Group 2: Goods of Basic Necessities	Fuel wood, in logs, billets, twigs, faggots or in similar forms :
	Coniferous
	Non-Coniferous
	Wood charcoal (including shell or nut charcoal), whether or not agglomerated :
	of Bamboo
	of shell or nut
Group 3: Animals and Animal Products	Meat of sheep or goats, fresh, chilled or frozen.
	Carcasses and half- carcasses of lamb, frozen
Group 4: Agricultural Materials	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up in forms or packings for retail sale or as preparations or articles (for example, Sulphur-treated bands, wicks and candles, and fly-papers).
	Hand tools, the following: spades, shovels, mattocks, picks, hoes, forks and rakes; axes, bill hooks and similar hewing tools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry.
Group 5: Medication and Similar Health Services	Diagnostic Kits
	Bandages

	Photographic plates and film in the flat, sensitised, unexposed, of any material other than paper, paperboard or textiles; instant print film in the flat, sensitised, unexposed, whether or not in packs:
	Of X-Ray
Group 11: Other Goods and Services	Articles of apparel and clothing accessories, not knitted or crocheted Track suits, swimwear and other garments (not knitted or crocheted)
	Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin pearls, natural or cultured, whether or not worked or graded but not strung, mounted or set; pearls, natural or cultured, temporarily strung for convenience of transport.
	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases:
	For filtering or purifying water

Annex-II

Changes in Annexure of Custom Act

Particulars	Description of the article
Exempt from custom duty	Recovered (Waste and Scrap) paper or paperboard
	Unwrought Aluminum
	Unwrought Zinc
1% custom duty attractive	Pig iron & spiegeleisen in pigs , blocks or other primary forms
	Ferro Alloys
	Farrow waste & Scrap, remelting scraps ingots of iron or steel
	Steel milk cans imported by agricultural and dairy firms producing more than 1,000 liters of milk per day.
	Bedding mats for cattle imported by livestock firms and industries on the recommendation of the concerned local level.

Changes in Rates Related to Customs Duty

Description of Article	Unit	Import Duty for FY 2081-82	Import Duty for FY 2080-81
Potatoes	Kg	15	10
Cashew with Shell	Kg	15	10
Mixtures (MASALA)	Kg	30	20
Urine Bag	Kg/Nos	-	5
Of a kind used for medical, surgical, dental or veterinary purposes	Kg/pair	15	5
Paper and paperboard, coated on one or both sides with kaolin (China Clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface colored, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size.	Kg	20	15
Rubber thread and cord, textile covered	Kg	5	15
Tableware, kitchenware, other household articles and toilet articles, of porcelain or china.	Kg	20	15
Gold (including gold plated with platinum) unwrought or in semi manufactured forms, or in powder form.	Kg	20	15
Table, kitchen or other household articles and parts thereof of iron or steel; iron or steel wool; pot scourers and scouring or polishing pads, gloves and the like, of iron or steel.	Kg	20	10
Electric filament or discharge lamps, including sealed beam lamp	Nos	20	15

units and ultra-violet or infra-red lamps , arc lamps , light-emitting light diode (LED) light sources (other than Parts under HSN Code 8539.90.00)			
Jeep , Car , Van	Nos	15	10
Car, Jeep, Van with motor's peak power upto 50kw	Nos	15	10
Car, Jeep, Van with motor's peak power exceeding 50 kw but not exceeding 100kw:	Nos	20	15
Car, Jeep, Van with motor's peak power exceeding 100 kw but not exceeding 200kw:	Nos	30	20
Car, Jeep, Van with motor's peak power exceeding 200 kw but not exceeding 300kw:	Nos	60	40
Car, Jeep, Van with motor's peak power exceeding 300kw:	Nos	80	60
Other			
Unassembled	Nos	60	40
Other	Nos	80	60
Other four wheelers	Nos	15	10
Stroller	Nos/Kg	30	5
Articles for Christmas festivities	Kg	20	10
Brooms, brushes (including brushes constituting parts of machines, appliances or vehicles), hand- operated mechanical floor sweepers, not motorised, mops and feather dusters; prepared knots and tufts for broom or brush making; paint pads and rollers; squeegees (other than roller squeegees).	Nos	15	10
Cigarette lighters and other lighters, whether or not mechanical or electrical, and parts thereof other than flints & winks (Except Parts under HSN Code 96139000)	Nos	30	15
Tampons and menstrual cups	Nos/kg	5	15
Split Red Lentils	Kg	-	1 / kg
Primary polymers of propylene or other olefins.	Kg	5 / kg	-
Fuel wood, in logs, in billets, in twigs, in faggots, or in similar forms (other than Sawdust and wood waste and scrap, agglomerated in logs, briquettes, pellets or similar forms)		50%	200%
Sawdust and wood waste and scrap, agglomerated in logs, briquettes, pellets or similar forms		-	10%
Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.		50%	200%
Hoopwood, split poles, piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of		50%	200%

walking-sticks, umbrellas, tool handles or the like; chipwood and the like			
Wood wool, wood flour.		50%	200%
Railway or tramway sleepers (cross- ties) of wood.		50%	200%
Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.		50%	200%

Annex-III

Changes in Excise Duty Rates

Description of Goods or Service	Excise Rate (2081-82)	Excise Rate (2080-81)
Cashew Nut in shell (raw form)	10%	15%
--Almonds -In shell	10%	15%
--Unfrozen, Brix value not exceeding 20	Rs. 13.5 per litre	Rs. 13 per litre
-Other	Rs. 13.5 per litre	Rs. 13 per litre
-Grapefruit juice; pomelo juice	Rs. 13.5 per litre	Rs. 13 per litre
-of as Brix value not exceeding 20	Rs. 13.5 per litre	Rs. 13 per litre
-Other	Rs. 13.5 per litre	Rs. 13 per litre
Juice of any other single citrus fruit	Rs. 13.5 per litre	Rs. 13 per litre
--of as Brix value not exceeding 20	Rs. 13.5 per litre	Rs. 13 per litre
-Other	Rs. 13.5 per litre	Rs. 13 per litre
Pineapple juice	Rs. 13.5 per litre	Rs. 13 per litre
of as Brix value not exceeding 20	Rs. 13.5 per litre	Rs. 13 per litre
Other	Rs. 13.5 per litre	Rs. 13 per litre
Tomato Juice	Rs. 13.5 per litre	Rs. 13 per litre
Grape Juice having Brix value not exceeding 20	Rs. 13.5 per litre	Rs. 13 per litre
--other grape juice	Rs. 13.5 per litre	Rs. 13 per litre
--Apple Juice having Brix value not exceeding 20	Rs. 13.5 per litre	Rs. 13 per litre
Other Grape Juice	Rs. 13.5 per litre	Rs. 13 per litre
-Juice of any other single fruit, nut or vegetable:	Rs. 13.5 per litre	Rs. 13 per litre
--Cranberry (Vaccinium macrocarpon, Vaccinium oxycoccos) juice; lingonberry (Vaccinium vitis-idaea) juice	Rs. 13.5 per litre	Rs. 13 per litre
Other	Rs. 13.5 per litre	Rs. 13 per litre
Mango Juice	Rs. 13.5 per litre	Rs. 13 per litre
Mixture of Juice	Rs. 13.5 per litre	Rs. 13 per litre
Ice cream & other edible ice, whether or not containing cocoa	30%	20%
Pan masala without Tobacco	Rs. 875 per kg	Rs. 850 per kg
Scented Areca nuts without Tobacco	Rs. 675 per kg	Rs. 365 per kg
Non-Alcoholic beer	Rs. 45 per litre	Rs. 35 per litre
Energy Drinks	Rs. 52 per litre	Rs. 50 per litre
Beer made from malt	Rs. 240 per litre	Rs. 235 per litre
....with up to 5 percent alcohol	Rs. 240 per litre	Rs. 235 per litre
....more than 5 percent	Rs. 240 per litre	Rs. 235 per litre
Wine of fresh grapes, including fortified wines; grape must other than that of Heading 20.09		

--- Contains up to 12 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
-- More than 12 percent and up to 17 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
--- More than 17 percent alcohol	Rs. 535 per litre	Rs. 516 per litre
Other wine; grape must with fermentation prevented or arrested by the addition of alcohol:		
-- In containers holding 2 Ltr or less		
Up to 12 percent alcohol (for import only)	Rs. 460 per litre	Rs. 444 per litre
More than 12 percent and up to 17 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
More than 17 percent alcohol	Rs. 535 per litre	Rs. 516 per litre
In containers holding more than 2 Ltr but not more than 10 Ltr		
Up to 12 percent alcohol (for import only)	Rs. 460 per litre	Rs. 444 per litre
More than 12 percent and up to 17 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
More than 17 percent alcohol	Rs. 535 per litre	Rs. 516 per litre
Other grape must:		
Up to 12 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
More than 12 percent and up to 17 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
More than 17 percent alcohol	Rs. 535 per litre	Rs. 516 per litre
Vermouth and other wine of fresh grapes flavored with plants or aromatic substances		
Up to 12 percent alcohol (for import only)	Rs. 460 per litre	Rs. 444 per litre
More than 12 percent and up to 17 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
More than 17 percent alcohol	Rs. 535 per litre	Rs. 516 per litre
Other		
Up to 12 percent alcohol (for import only)	Rs. 460 per litre	Rs. 444 per litre
More than 12 percent and up to 17 percent alcohol	Rs. 460 per litre	Rs. 444 per litre
More than 17 percent alcohol	Rs. 535 per litre	Rs. 516 per litre
Chhayang (Country Beer)	Rs. 48 per litre	Rs. 43 per litre
Readymade liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
Readymade liquor of 25 u.p power (having 42.5 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
Readymade liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre Rs. 1843 per LP	Rs. 1250 per litre, Rs. 1790 per LP
Other	Rs. 1860 per litre	Rs. 1800 per litre,

	Rs. 2188 per LP	Rs. 2120 per LP
Whiskeys:		
Readymade liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
Readymade liquor of 25 u.p power (having 42.8 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
Readymade liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre Rs. 1843 per LP	Rs. 1250 per litre, Rs. 1790 per LP
Other		
Rum and other spirit obtained by distilling fermented sugar cane		
Other		
Readymade liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
Readymade liquor of 25 u.p power (having 42.5 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
Readymade liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre Rs. 1843 per LP	Rs. 1250 per litre, Rs. 1790 per LP
Gin and Geneva :		
Other		
Readymade liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
Readymade liquor of 25 u.p power (having 42.5 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
Readymade liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre Rs. 1843 per LP	Rs. 1250 per litre, Rs. 1790 per LP
Vodka		
Readymade liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
Readymade liquor of 25 u.p power (having 42.5 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
Readymade liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre Rs. 1843 per LP	Rs. 1250 per litre, Rs. 1790 per LP
Liquors and Cordials		
Alcoholic mixed drinks (containing five percent alcohol only)	Rs. 240 per litre	-
Other		
Readymade liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
Readymade liquor of 25 u.p power (having 42.5 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
Readymade liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre	Rs. 1250 per litre,

	Rs. 1843 per LP	Rs. 1790 per LP
Other		
Readymade liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
Readymade liquor of 25 u.p power (having 42.5 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
Readymade liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre Rs. 1843 per LP	Rs. 1250 per litre, Rs. 1790 per LP
Other		
liquor of 15 u.p power (having 48.5 percent alcohol)	Rs. 1860 per litre Rs. 2188 per LP	Rs. 1800 per litre, Rs. 2120 per LP
liquor of 25 u.p power (having 42.5 percent alcohol)	Rs. 1390 per litre Rs. 1843 per LP	Rs. 1345 per litre, Rs. 1790 per LP
liquor of 30 u.p power (having 39.94 percent alcohol)	Rs. 1290 per litre Rs. 1843 per LP	Rs. 1250 per litre, Rs. 1790 per LP
liquor of 40 u.p power (having 39.94 percent alcohol)	Rs. 650 per litre, Rs. 1083 per LP	Rs. 630 per litre, Rs. 1050 per LP
liquor of 50 u.p power (having 39.94 percent alcohol)	Rs. 490 per litre, Rs. 980 per LP	Rs. 485 per litre, Rs. 970 per LP
liquor of 70 u.p power (having 39.94 percent alcohol)	Rs. 60 per litre, Rs. 200 per LP	Rs. 50 per litre, Rs. 165 per LP
Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.		
Cigars, cheroots and cigarillos, containing tobacco	Rs. 31 per khilli	Rs. 30 per khilli
Cigarettes containing tobacco		
Not filtered	Rs. 755 per mm	Rs. 730 per mm
Filtered		
In a length up to 70 mm.	Rs. 1740 per mm	Rs. 1690 per mm
In a length from 70 mm. up to 75 mm.	Rs. 2370 per mm	Rs. 2300 per mm
In a length from 75 mm. up to 85 mm.	Rs. 3060 per mm	Rs. 2970 per mm
In a length more than 85 mm.	Rs. 4200 per mm	Rs. 4080 per mm
Other		
Readymade beedi	Rs. 96 per mm	Rs. 94 per mm
All kinds of cigar	Rs. 31 per mm	Rs. 30 per mm
Other	Rs. 31 per mm	Rs. 30 per mm
Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences		
Smoking tobacco, whether or not containing tobacco substitutes in any proportion:		

"Homogenised" or "reconstituted" tobacco	Rs 500 per kg	Rs 475 per kg
Jarda, Khaini, Snuff, Ghutka and similar preparations containing chewing tobacco	Rs 880 per kg	Rs 850 per kg
Packed chewing tobacco, to be mixed in lime, put up for retail sale	Rs 520 per kg	Rs 475 per kg
Cut tobacco, dust tobacco not for retail sale	Rs 520 per kg	Rs 475 per kg
Other		
Hukka flavor	Rs 1500 per kg	Rs 1400 per kg
Other	Rs 520 per kg	Rs 475 per kg
-Tobacco containing or reconstituted Tobacco	Rs 520 per kg	Rs 475 per kg
Others containing nicotine:		
electronic cigarette (vhep)	40%	Rs 475 per kg
Personal deodorants and antiperspirants		
Floor covering in the form of tiles or rolls	10%	5%
Other	10%	5%
Motor peak-up power more than 50 kv but less than 100 kv		
Other	15%	10%
Motor peak-up power more than 100 kv but less than 200 kv		
Other	35%	45%
Motor peak-up power more than 300 kv		
Other	50%	60%

Goods Added under Excise Duty Rates

Description of Goods or Services	Excise Rate (2081-82)	Excise Rate (2080-81)
Copra (dried coconut pulp unfit for human consumption)	15%	-
Margarine (artificial margarine); Other than the edible fats, oils and their oils under heading 15.16, edible mixtures or preparations of various animal, vegetable or microbiological (microbial) fats or oils or their oils of this part		
-Other	10%	-
--Preparations containing less than 6% by weight of cocoa calculated on totally defatted basis or not completely coated with chocolate.	10%	-
--Cornflakes	10%	-
-Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals	10%	-
-Bulgar wheat (a type of wheat that has been parched and dried).	10%	-
Glues having a net weight of not more than 1 kg	5%	-
OTHER Adhesive based a polymers of heading 39.01-39.13 OR Rubber	5%	-

Hydraulic Brake fluid	10%	-
Supplement are prepared for cement, mortar and concretes	5%	-
Trays , plates, cups, tray made of paper or paperboard and like this including made of bamboo	10%	-
Articles made by molding or pressing paper pulp	10%	-
Tempered or laminated safety glass of size and shape suitable for incorporation in vehicles, aircraft, spacecraft or vessels		
Laptops and notebooks	5%	-
Other vehicle (car, jeep, van) having up to 10 seats and pusher electric motor (including unassembled one)	5%	-
motor peak-up power not exceeding 50 kv		
unassembled one	5%	-
motor peak-up power exceeding 50 kv but less than 100kv		
unassembled one	15%	-
motor peak-up power exceeding 100 kv but less than 200kv		
unassembled one	20%	-
motor peak-up power more than 200 kv but less than 300 kv		
unassembled one	35%	-
motor peak-up power more than 300 kv		
unassembled one	50%	-
Electric Transportation vehicle-four wheeler	5%	-

Removed Goods from Excise duty by Finance Bill 2081

Description of Goods	Rate (2081-82)	Rate (2080-81)
Semi-finished products of iron or non-alloy steel	-	Rs. 2500 per MT
Containing by weight less than 0.25% of carbon	-	Rs. 2500 per MT
Of rectangular cross- Section width measuring less than twice the thickness	-	Rs. 2500 per MT
Other of rectangular (other than square) cross section	-	Rs. 2500 per MT

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