

SALIENT FEATURES OF BUDGET 2011 - FEDERAL EXCISE DUTY

- Withdrawal of special excise duty to reduce quantum of taxation on all the items including those used by the middle and lower class of population, effective from 1st July 2011.
 - The existing Federal Excise Duty @ Rs.1/- per filter rod of cigarettes is proposed to be restricted to 20% ad val. Upward limit of duty slabs on locally produced cigarettes has been proposed for revision to increase the duties.
 - The bill seeks to enhance the prevailing rate of FED on unmanufactured tobacco @ Rs. 5 per KG to Rs.10 per KG.
 - The scope of Federal Excise Duty has been reviewed to reduce the number of goods liable to Federal Excise Duty, effective from 1st July 2011.
 - Reduction in quantum of Excise Duty on cement and withdrawal of excise duty on white cement has been proposed to encourage the construction activities.
 - The FED paid on beverage concentrate has been proposed to be reduced from 12% to 6% effective from the 1st July, 2011. The reducing prices of products might have good impacts for enhancement of business of beverage industry.
 - The existing Federal Excise Duty @ 10% on electricity intensive home appliances comprising Deep Freezers and Air Conditioners has been withdrawn. This revision refers to as a beneficiary measure for the aristocratic community.
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