

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2071  
ANSWERED ON:12.08.2011  
EXEMPTION OF EXCISE DUTY ON DIESEL VEHICLES  
Rajesh Shri M. B.

**Will the Minister of FINANCE be pleased to state:**

(a) Whether any state Government including Kerala has requested for exemption of excise duty on diesel, vehicle purchases and body building for the use of the State Transport Undertaking; and

(b) If so, the response of the Union Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALAN1MANICKAM)

(a) In the current financial year, no state Government including Kerala has requested for exemption of excise duty on diesel, vehicle purchases and body building for the use of the State Transport Undertaking. However, in 2010, a request was received in the Central Board of Excise & Customs (CBEC), Department of Revenue, from Kerala State Road Transport Corporation (KSRTC) to exempt them from the Excise duty on the bodies built on chassis meant for Public Transportation for the period from 1.3.2001 onwards.

(b) The request was examined in the CBEC and it was not found feasible to accede to the request of KSRTC.