

**No.B2/2228/TC/2014**

*Transport Commissionerate, Kerala,*  
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Dated: 25.09.2015.

From

The Transport Commissioner,  
Thiruvananthapuram.

To

All Regional Transport Officers/  
Joint Regional Transport Officers,

Sir,

Sub:- **Motor Vehicles Department** – Refund of Tax – Purchase Value – VAT  
Judgment in WP(C) No.1516/14 and connected cases – reg.

Ref:- Letter No. K2. WP(C) 1516/2014 dated 07-09-2015 from the Advocate  
General, Kerala.

Your attention is invited to the subject cited. As you are aware of, the State Government, in order to tide over the crisis aroused following the Verdict reported in Fathima Shirin Vs. Joint RTO 2013(3) KLT 945, had brought in an amendment in the definition of "Purchase Value" with retrospective effect vide Finance Act 2014. The division bench of the Hon'ble High Court, while rejecting a batch of WP(C)s filed against this reform, had upheld the legal veracity of the amendment. In the meanwhile, there are a good number of cases filed, following the decision in 2013(3) KLT 945, claiming similar benefits of tax excluding the VAT factor. In these cases, filed prior to the enactment of the amendment, the Hon'ble High Court had allowed the prayer sanctioning the refund of excess tax levied.

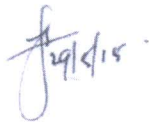
As of now, since the amendment is retrospective in nature, the taxation authority is empowered to recover any such refund made as "escaped assessment", as opined by the Advocate General vide reference cited.

Hence, you are requested to issue fresh Demand Notices in such cases, if any, and pass orders there upon after affording an opportunity for hearing to the registered owners and further, resort to Revenue Recovery proceedings, if the demand is not satisfied. The format of Hearing Notice is enclosed along.

Yours Faithfully  
(Sd/-)  
Senior Deputy Transport Commissioner,  
(Taxation)  
For The Transport Commissioner

Approved for issue,

  
29.9.15  
Senior Superintendent.

  
29/9/15

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AND REVENUE DEPARTMENT, AERIAL