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The automobile industry contributes to 7.1% of the Gross Domestic Product (GDP) of the Indian economy. However, the industry is not devoid of challenges, especially under the Goods and Services Tax statutes. Most automobile dealers and authorized resellers of automobile companies are required to keep few of the vehicles in their showroom as ‘demo vehicles’ for the purposes of permitting customers to undertake test drives and so that business promotion for such vehicles can take place. Such demo vehicles are maintained by the automobile dealers and authorized resellers for a fixed period of time as stipulated in the contract with the respective automobile companies. Once the contractual life of such demo vehicles end, they are resold as ‘used or second hand vehicles’ to interested buyers. On the purchase of demo vehicles as well as the sales of used vehicles, Goods and Services Tax (GST) is paid at the respective points of time. There has been a recent.....