

Ashit Shah

13 Demo Vehicles Facts of the matter The applicant is engaged in supplying of different ranges of motor vehicles. In addition to purchases of motor vehicles which are subsequently supplied to customers, he also makes purchases of vehicles which are used as demo cars for providing trial run/ demonstration to the customers. Inward supplies of such vehicles which are used for demonstration purposes are made against tax invoices and get reflected in his books of accounts as capital goods. The applicant submits that the demo cars are used to show the features of a specific model, to allow test drive facility to the prospective buyers of such vehicles and thus become an essential part of marketing and sales promotion to facilitate the sale of cars. The applicant capitalizes these demo cars in his books of accounts and intends to avail credit of input tax against inward supplies of such demo cars. Applicant seek.....