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Across industries, new and revolutionary manufacturing practices have continued to advance and develop. However, an inherent loss of inputs (raw materials) in the manufacturing process is a situation which is quite common and unavoidable for several industries such as the chemicals, garments and metal industries to name a few. Such forms of inherent losses of input goods in the manufacturing process may be an invisible loss which cannot be identified in a tangible form such as loss in raw materials caused due to evaporation or may also be a tangible loss which is seen in the form of scrap and wastage generated in the manufacturing process. Right from the erstwhile indirect tax regimes, it has been the view of tax departments that the credit of input taxes on the portion which has been lost during the manufacturing process either as an invisible loss or as wastage and scrappage needs to be reversed since such portions of the input have not been used in the finished product re.....