Customs Act, 1962

Section 65 - MANUFACTURE AND OTHER OPERATIONS IN RELATION TO GOODS IN A WAREHOUSE

1) With the sanction of the 23[Assistant Commissioner of Customs or Deputy Commissioner of Customs] and subject to such conditions and on payment of such as may be prescribed, the owner of any warehoused goods may carry on any manufacturing process or other operations in the warehouse in relation to such goods. (2) Where in the course of any operations permissible in relation to any warehoused goods under sub-section (1) there is any waste or refuse, the following provisions shall apply: (a) if the whole or any part of the goods resulting from such operations are exported, import duty shall be remitted on the quantity of the warehoused goods contained in so much of the waste or refuse as has arisen from the operation carried on in relation to the goods exported: PROVIDED that such waste or refuse is either destroyed or duty is paid on such waste or refuse as if it has been imported into India in that form; (b) if the whole or any part of the goods resulting from such operation are cleared from the warehouse for home consumption, import duty shall be charged on the quantity of the warehoused goods contained in so much of the waste or refuse as has arisen from the operations carried on in relation to the goods cleared for home consumption.