

WAREHOUSING

MULTIPLE CHOICE QUESTIONS

1. Which of the warehouses remain in record based control –

- (a) Public Warehouses
- (b) Private Warehouses
- (c) Special Warehouses
- (d) Both (a) and (b)

2. Which of the warehouses remain in physical control of customs –

- (a) Public Warehouses
- (b) Private Warehouses
- (c) Special Warehouses
- (d) None of the above

3. Only the dutiable goods notified by CBIC may be deposited in _____.

- (a) Public Warehouses
- (b) Private Warehouses
- (c) Special Warehouses
- (d) Both (a) and (b)

4. In a _____, dutiable goods imported only by licensee are deposited.

- (a) Public Warehouses
- (b) Private Warehouses
- (c) Special Warehouses
- (d) All of the above

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5. Where the licence is cancelled, the goods warehoused shall be removed within _____ from the date on which order of such cancellation is served on the licensee or within such extended period as the proper officer may allow.

- (a) 14 days
- (b) 7 days
- (c) One month
- (d) Three months

6. The importers are required to submit bond for an amount equal to _____ the duty amount involved before warehousing the goods.

- (a) thrice
- (b) equal
- (c) twice
- (d) four

7. Capital Goods for use in any 100% EOU/ EHTP/ STP/ warehouse where manufacture or other operations are permitted under section 65 can remain in warehouse -

- (a) Till the clearance of such goods from warehouse
- (b) Till the consumption of such goods in warehouse

- (c) Till the expiry of 1 year from the date of order permitting deposit of goods in warehouse
- (d) Till the expiry of 5 years from the date of order permitting deposit of goods in warehouse

8. Goods other than capital goods for use in any 100% EOU/ EHTP/ STP/ warehouse where manufacture or other operations are permitted under section 65 can remain in warehouse –

- (a) Till the clearance of such goods from warehouse
- (b) Till the clearance or consumption of such goods in warehouse
- (c) Till the expiry of 1 year from the date of order permitting deposit of goods in warehouse
- (d) Till the expiry of 5 years from the date of order permitting deposit of goods in warehouse

9. Goods imported by other importers (other than 100% EOU/ EHTP/ STP/ warehouse where manufacture or other operations are permitted under section 65) can remain in warehouse -

- (a) Till the clearance of such goods from warehouse
- (b) Till the clearance or consumption of such goods in warehouse
- (c) Till the expiry of 1 year from the date of order permitting deposit of goods in warehouse
- (d) Till the expiry of 5 years from the date of order permitting deposit of goods in warehouse

10. Where any warehoused goods imported by other importers specified in Section 61(1)(c) remain in a warehouse beyond a period of

_____ from the date on which the proper officer has made an order under Section 60(1), interest shall be payable on the duty amount.

- (a) 90 days
- (b) One year
- (c) Five years
- (d) Three years

11. The rate of interest to be levied in case of warehoused goods under Section 61 of the Customs Act, 1962 is _____

- (a) 15% p.a.
- (b) 18% p.a.
- (c) 24% p.a.
- (d) 12% p.a.

12. The owner of any warehoused goods may, after warehousing the same,–

- (a) inspect the goods;
- (b) deal with their containers in such manner as may be necessary to prevent loss or deterioration or damage to the goods
- (c) sort the goods; or show the goods for sale.
- (d) All of the above

13. Permission for in-bond manufacturing facility can be given by the _____

- (a) Principal Commissioner/ Commissioner of Customs.
- (b) Assistant Commissioner
- (c) Deputy Commissioner
- (d) Superintendent

14. The goods shall be treated as improperly removed from the warehouse in which of the following cases—

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- (a) where any warehoused goods are removed from a warehouse in contravention of Section 71;
- (b) where any warehoused goods have not been removed from a warehouse at the expiration of the period during which such goods are permitted under section 61 to remain in a warehouse;
- (c) where any goods in respect of which a bond has been executed under section 59 and which have not been cleared for home consumption or export and are not duly accounted for to the satisfaction of the proper officer.
- (d) All of the above

15. Bholaram imported certain goods in November, 2024 and an 'into bond' bill of entry was presented on 28th November, 2024. Assessable value was US \$ 1,00,000. Order permitting the deposit of goods in warehouse for 3 months was issued on 2nd December, 2024. Bholaram neither obtained extension of warehousing period nor cleared the goods within the permitted warehousing period of 1st March, 2025.

Only after a notice was issued u/s 72 of the Customs Act, 1962 de-manding duty and other charges, Bholaram removed the goods on 15th April, 2025. Compute the amount of duty payable by Bholaram while removing the goods from warehouse, assuming that no additional duty or special additional duty is payable. You are supplied with the following information :

Rate of exchange per US \$:

28-11-2024 : ₹ 76

01-03-2025 : ₹ 75

15-04-2025 : ₹ 74

Rate of basic customs duty :

28-11-2024 : 15%

01-03-2025 : 10%

15-04-2025 : 5%

- (a) ₹ 12,54,000
- (b) ₹ 4,18,000
- (c) ₹ 8,25,000
- (d) ₹ 8,36,000

ANSWERS TO MCQ'S

Question No.	Answer
1.	(d) Private and Public Warehouses are not under physical control of the customs authorities (i.e. not under lock of customs). Control is record based.
2.	(c) Private and Public Warehouses are not under physical control of the customs authorities (i.e. not under lock of customs). However, Special Warehouses remain under customs lock.
3.	(c) Only the dutiable goods notified by CBIC may be deposited in Special Warehouse.
4.	(b) In a Private Warehouse, dutiable goods imported only by licensee are deposited.
5.	(b) Where the licence is cancelled, the goods warehoused shall:



		<p>(i) be removed from such warehouse to another warehouse or</p> <p>(ii) be cleared for home consumption/export.</p> <p>The goods shall be removed within 7 days from the date on which order of such cancellation is served on the licensee or within such extended period as the proper officer may allow.</p>
6.	(a)	The importers are required to submit bond for an amount equal to thrice the duty amount involved before warehousing the goods.
7.	(a)	Capital Goods for use in any 100% EOU/ EHTP/ STP/ warehouse where manufacture or other operations are permitted under section 65 can remain in warehouse till the clearance of such goods from warehouse
8.	(b)	Goods other than capital goods for use in any 100% EOU/ EHTP/ STP/ warehouse where manufacture or other operations are permitted under section 65 can remain in warehouse till their consumption or the clearance of such goods from warehouse
9.	(c)	Goods imported by other importers (other than 100% EOU/ EHTP/ STP/ warehouse where manufacture or other operations are permitted under section 65) can remain in warehouse till the expiry of 1 year from the date of order permitting deposit of goods in warehouse.
10.	(a)	Where any warehoused goods specified in Section 61(1)(c) remain in a warehouse beyond a period of 90 days from the date on which the proper officer has made an order under Section 60(1), interest shall be payable at such rate as may be fixed by the Central Government under section 47 i.e. 15% p.a., on the amount of duty payable at the time of clearance of the goods,
11.	(a)	The rate of interest to be levied in case of warehoused goods under Section 61 of the Customs Act, 1962 is 15% p.a.
12.	(d)	<p>The owner of any warehoused goods may, after warehousing the same,—</p> <p>(a) inspect the goods;</p> <p>(b) deal with their containers in such manner as may be necessary to prevent loss or deterioration or damage to the goods;</p> <p>(c) sort the goods; or</p> <p>(d) show the goods for sale.</p>
13.	(a)	Permission for in-bond manufacturing facility can be given by the Principal Commissioner/ Commissioner of Customs.
14.	(d)	<p>The goods shall be treated as improperly removed from the warehouse in which of the following cases—</p> <p>(a) where any warehoused goods are removed from a warehouse in contravention of Section 71;</p> <p>(b) where any warehoused goods have not been removed from a warehouse at the expiration of the period during which such goods are permitted under section 61 to remain in a warehouse;</p>

		(c) where any goods in respect of which a bond has been executed under section 59 and which have not been cleared for home consumption or export and are not duly accounted for to the satisfaction of the proper officer.														
15.	(d)	<p>Computation of customs duty payable by the importer –</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>₹</th> </tr> </thead> <tbody> <tr> <td>Relevant rate of Exchange [Applicable of the date on which into-bond bill of entry for warehousing is filed]</td> <td>76</td> </tr> <tr> <td>Applicable rate of duty (on the last date of warehousing period)</td> <td>10%</td> </tr> <tr> <td>Assessable value US \$ 1,00,000 × ₹ 76</td> <td>76,00,000</td> </tr> <tr> <td>Basic Customs duty @ 10%</td> <td>7,60,000</td> </tr> <tr> <td>Add: SWS @ 10% of ₹ 7,60,000</td> <td>76,000</td> </tr> <tr> <td>Total customs duty payable</td> <td>8,36,000</td> </tr> </tbody> </table>	Particulars	₹	Relevant rate of Exchange [Applicable of the date on which into-bond bill of entry for warehousing is filed]	76	Applicable rate of duty (on the last date of warehousing period)	10%	Assessable value US \$ 1,00,000 × ₹ 76	76,00,000	Basic Customs duty @ 10%	7,60,000	Add: SWS @ 10% of ₹ 7,60,000	76,000	Total customs duty payable	8,36,000
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