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# Confiscation & Penalty



*Think GST!*  
*Think Vishal Sir...!!*



**CA Vishal Bhattad**

1. As per section 111 any goods imported improperly into India through land route or sea route or through air space are liable for:

- a. Seizure
- b. Confiscation
- c. Both a and b
- d. Search

Ans: (a) (b) (c) (d)

2. Goods improperly imported through aerial mode are not liable for confiscation as per section 111 of Customs Act, 1962.

State true or false

- a. True
- b. False

Ans: (a) (b) (c) (d)

3. The provision of confiscation is applicable not only to imported goods but also to export goods.

Determine the validity of this statement in the eyes of law

- a. Valid
- b. Invalid

Ans: (a) (b) (c) (d)

4. In which of the following cases the provision of confiscation of goods will be applied?

- i. Where any goods imported improperly in a package
- ii. Where any goods imported improperly through vessel, vehicle or aircraft
- iii. Sale proceeds of smuggled goods
- iv. Where smuggled goods mixed with other goods in such manner that the smuggled goods cannot be separated from such other goods

- a. only ii & iv above
- b. only ii above

c. All i, ii, iii & iv above

d. i, ii & iv above

Ans: (a) (b) (c) (d)

5. In case where goods are liable for confiscation or penalty without any monetary limit, such confiscation or penalty may be adjudged by:

- a. Principal Commissioner of Customs or Commissioner of Customs
- b. Joint Commissioner of Customs
- c. AC/ DC of Customs
- d. Either a or b above

Ans: (a) (b) (c) (d)

6. Mr. Vedant imported goods improperly within India valuing ₹ 8.5 lakhs which are liable for confiscation & penalty. The confiscation and penalty imposed on Mr. Vedant may be adjudged by:

- a. Principal Commissioner of Customs or Commissioner of Customs
- b. Joint Commissioner of Customs
- c. AC/ DC of Customs
- d. A gazetted officer of customs lower in rank than an AC/ DC of Customs

Ans: (a) (b) (c) (d)

7. The order for confiscation of any goods and imposition of penalty on any person can be made with or without issuing show cause notice to such person

State true or false

- a. True
- b. False

Ans: (a) (b) (c) (d)

8. The option to pay fine in lieu of confiscation of goods become void if such fine is not paid by the person within:

- a. 180 days from the date of option given
  - b. 120 days from the date of option given
  - c. 60 days from the date of option given
  - d. 30 days from the date of option given
- Ans: (a) (b) (c) (d)

9. Fine in lieu of confiscated goods shall .....

- a. be equal to the market price of the confiscated goods
  - b. exceed the market price of the confiscated goods
  - c. not exceed the market price of the confiscated goods
  - d. Either a or b above
- Ans: (a) (b) (c) (d)

10. Penalty can be imposed for:

- a. improper importation of goods
  - b. attempt to export goods improperly
  - c. use of false and incorrect material
  - d. All of the above
- Ans: (a) (b) (c) (d)

11. In case of improper importation of goods in respect of which any prohibition is in force under this Act or any other law, the penalty shall:

- a. not exceed the value of goods
  - b. ₹ 5000
  - c. a or b above whichever is greater
  - d. a or b above whichever is lower
- Ans: (a) (b) (c) (d)

12. Mr. Shubham exported goods made from skin of animals which are specifically prohibited from exportation. The value of such goods

were ₹ 50 lakhs. State the quantum of penalty imposable on Mr. Shubham by the proper officer as per Customs Act.

- a. ₹ 50 lakhs
  - b. ₹ 5000
  - c. penalty will be higher of amount not exceeding ₹ 150 lakhs being 3 times the value as declared by the exporter or amount as determined under this act
  - d. No penalty on exported goods
- Ans: (a) (b) (c) (d)

13. M/s ABC Pvt. Ltd. contravenes the provision of Customs Act for which no specific penalty is provided for. State whether M/s ABC Pvt. Ltd. will be liable for penalty under this act. If yes, also state the amount of penalty.

- a. No penalty will be imposed on M/s ABC Pvt. Ltd. as no specific provision for penalty prevails under this act
  - b. Yes, M/s ABC Pvt. Ltd. is liable for penalty and the amount will be determined by the proper officer under this act
  - c. Yes, M/s ABC Pvt. Ltd. liable for penalty and the amount will be ₹ 1 lakh
  - d. Higher of b or c above
- Ans: (a) (b) (c) (d)

**Answer:-**

1	b	11	c
2	b	12	c
3	a	13	c
4	c		
5	d		
6	c		
7	b		
8	b		
9	c		
10	d		

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