

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

Class 11 commerce Sub. BST. Date 12.11.2020

Teacher name – Ajay Kumar Sharma

### BUSINESS SERVICES

#### Types of Warehouses

(i) Private warehouses: Private warehouses are operated, owned or leased by a company handling their own goods, such as retail chain stores or multi-brand multi-product companies. As a general rule an efficient warehouse is planned around a material handling system in order to encourage maximum efficiency of product movement. The benefit of private warehousing includes control, flexibility, and other benefits like improved dealer relations.

(ii) Public warehouses: Public warehouses can be used for storage of goods by traders, manufacturers or any member of the public after the payment of a storage fee or charges. The government regulates the operation of these warehouses by issuing licences for them to private parties. The owner of the warehouse stands as an agent of the owner of the goods and is expected to take appropriate care of the goods. These warehouses provide other facilities also, like transportation by rail and road. They are responsible for the safety of the goods. Small manufacturers find it convenient as they cannot afford to construct their own warehouses. The other benefits include flexibility in the number of locations, no fixed cost and capability of offering value added services, like packaging and labelling.

(iii) Bonded warehouses: Bonded warehouses are licensed by the government to accept imported goods prior to payment of tax and customs duty. These are goods which are imported from other countries. Importers are not permitted to remove goods from the docks or the airport till customs duty is paid. At times, importers are not in a position to pay the duty in full or does not require all the goods immediately. The goods are kept in bonded warehouses by the customs authorities till the customs duty is paid. These goods are said to be in bond. These warehouses have facilities for branding, packaging, grading and blending. Importers may bring their buyers for inspection of goods and repackage them according to their requirements. Thus, it facilitates marketing of goods. Goods can be removed in part as and when required by the importers and buyers, and import duty can be paid in instalments. The importer need not block funds for payment of import duties before the goods are sold or used. Even if he wishes to export the goods kept in the bonded warehouse he may do so without payment of customs duty. Thus, bonded warehouses facilitate entrepot trade.

(iv) Government warehouses: These warehouses are fully owned and managed by the government. The government manages them through organizations set up in the public sector. For example, Food Corporation of India, State Trading Corporation, and Central Warehousing Corporation.

(v) Cooperative warehouses: Some marketing cooperative societies or agricultural cooperative societies have set up their own warehouses for members of their cooperative society.