

EXECUTIVE SUMMARY

The Report has a total revenue implication of ₹ 46.91 crore covering 22 paragraphs. We had issued another 102 paragraphs involving money value of ₹ 32.71 crore on which rectificatory action was taken by the department/Ministry in the form of issuing show cause notices, adjudicating of show cause notices and recovery of ₹ 18.01 crore. A few significant findings included in this Report are mentioned in the following paragraphs.

Chapter I: Customs receipts

- Duty foregone under various export promotion schemes during the year 2009-10 was ₹ 52,606 crore which was approximately 63 per cent of the total receipts of customs duty.

{Paragraph 1.5}

- In the last five audit reports (including current year's report), we had included 711 audit paragraphs involving ₹ 417.53 crore. Of these, the Government had accepted audit observations in 608 audit paragraphs involving ₹ 261.11 crore and had recovered ₹ 78.64 crore.

{Paragraph 1.8}

Chapter II: Incorrect assessment of customs duties

- We detected incorrect assessment of customs duty totalling ₹ 37.94 crore. These arose mainly due to delay in presentation of Bills of Entry, interest paid on Terminal excise duty refunds, incorrect adoption of rate of duty, incorrect assessment of high sea sale and non-levy of safeguard duty etc.

{Paragraphs 2.1 to 2.5}

Chapter III: General exemption notifications

- Duty of ₹ 4.06 crore was short levied due to incorrect application of exemption notifications.

{Paragraphs 3.1 to 3.4}

Chapter IV: Duty exemption/Remission schemes

- Revenue of ₹ 3.32 crore was due from exporters/importers who had availed of the benefits of the duty exemption schemes but had not fulfilled the prescribed obligations/conditions.

{Paragraphs 4.1 to 4.3}

Chapter V: Classification

- Duty of ₹ 1.59 crore was short levied due to misclassification of goods.

{Paragraphs 5.1 to 5.6}