

## PREFACE

This Report for the year ended March 2019 has been prepared for submission to the President of India under the Article 151 of the Constitution of India.

The Report contains significant results of the compliance audit of the Department of Revenue – Customs under the Ministry of Finance, and Directorate General of Foreign Trade under Ministry of Commerce and Industry.

The Government has made significant investment in Indian Customs EDI System (ICES) which has resulted in comprehensive, paperless, fully automated customs clearance system and availability of transactional information in the form of electronic data. This provides a good opportunity to Audit to review hundred *per cent* data, instead of test check transactions in a few locations, and provide assurance to the Government and the Parliament on correctness of application of tax laws across all Customs Commissionerates. The availability of complete data also minimises the requirement of physical visits of Audit to the Customs premises for test check of transactions. However, since the Department was unable to provide complete data for pan-India transactions, Audit was carried out in 48 out of 70 Customs Commissionerates.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2018-19 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2018-19 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.