

EXECUTIVE SUMMARY

The report has a total revenue implication of Rs. 54.09 crore covering 112 paragraphs. The Ministry/department has accepted, till January 2010, the audit observations in 80 paragraphs (71 percent of the paragraphs featured) with a money value of Rs. 31.64 crore. The total recovery effected at the instance of audit upto January 2010, is Rs. 16.54 crore.

Chapter I: Customs receipts

- Budget estimate for 2008-09 was pitched at Rs. 1,18,930 crore and revised estimate at Rs. 1,08,000 crore. Actual collection of Rs. 99,879 crore, however, fell short of both the budget and revised estimates as the duty rates were reduced for some of the major commodities.

{Paragraphs 1.1 & 1.3}

- Duty foregone under various export promotion schemes during the year 2008-09 was Rs. 61,174 crore which was approximately 61 per cent of the total receipts of customs duty.

{Paragraph 1.4.1}

- The expenditure incurred on the collection of customs duty during the year 2008-09 as a percentage of customs receipt was higher than that incurred in the previous year.

{Paragraph 1.5}

- Customs revenue of Rs. 5,136.29 crore was not realised by the department at the end of financial year 2008-09. Of this, an amount of Rs. 1,947.81 crore was not recovered for over ten years, despite being undisputed.

{Paragraph 1.6.2}

Chapter II: Duty exemption schemes

- Revenue of Rs. 24.30 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 2.1 to 2.7}

Chapter III: Incorrect assessment of customs duties

- **Incorrect assessment of customs duty totalling Rs. 10.50 crore was detected in audit. These arose mainly due to non-levy of anti-dumping duty, non-recovery of drawback paid, adoption of incorrect assessable value, non-levy of National Calamity Contingent duty etc.**

{Paragraphs 3.1. to 3.12}

Chapter IV: Exemptions

- **Duty of Rs. 9.72 crore was short levied due to incorrect application of exemption notifications.**

{Paragraphs 4.1 to 4.3}

Chapter V: Classification

- **Duty of Rs. 7.05 crore was short levied due to misclassification of goods in 24 cases.**

{Paragraphs 5.1 to 5.11}

Chapter VI: Non-levy/short levy of additional duty

- **Additional duty totalling Rs. 2.52 crore was not levied or short levied on goods imported by 52 importers.**

{Paragraphs 6.1 to 6.3}