

EXECUTIVE SUMMARY

The Report has a total revenue implication of ₹ 107.76 crore covering 39 paragraphs. We had issued another 79 paragraphs involving money value of ₹ 22.85 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 ₹ 12.36 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 2010-11 was ₹ 70,877 crore which was approximately 52 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 690 audit paragraphs involving ₹ 484.92 crore. Of these, the Government had accepted audit observations in 618 audit paragraphs involving ₹ 335.05 crore and had recovered ₹ 79.59 crore.

{Paragraph 1.8}

Chapter II: Duty exemption/Remission schemes

- Revenue of ₹ 72.74 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 2.5}

Chapter III: Incorrect assessment of customs duties

- We detected incorrect assessment of customs duty totalling ₹ 28.25 crore. These arose mainly due to non realisation of cost recovery charges, excess refund of additional duty of customs, non levy of anti dumping duty and incorrect assessment of high sea sale etc.

{Paragraphs 3.1 to 3.10}

Chapter IV: Incorrect application of General exemption notifications

- Duty of ₹ 4.53 crore was short levied due to incorrect application of exemption notifications.

{Paragraphs 4.1 to 4.4}

Chapter V: Mis-classification of goods

- Duty of ₹ 2.25 crore was short levied due to misclassification of goods.

{Paragraphs 5.1 to 5.5}