

PREFACE

This Report for the year ended March 2020 has been prepared for submission to the President of India under 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 Director 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 would provide a good opportunity to Audit to hundred *per cent* review of data, instead of test check of transactions in a few locations, and would provide a high level of assurance to the Government and the Parliament on the correctness of application of tax law across all Customs Commissionerates. The availability of complete data would also reduce the requirement of physical visits of Audit to the Customs premises for test check of transactions. However, since the Department did not provide complete data for pan-India transactions, Audit was carried out in 41 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 2019-20 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports.

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