

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:398
ANSWERED ON:23.11.2012
ARREARS OF CUSTOMS DUTIES
Ramasubbu Shri S.

Will the Minister of FINANCE be pleased to state:

- (a) whether a statutory audit has pointed out that the Government stands to lose about Rs. 10,000 crore in customs duty which had not been recovered in the last few years;
- (b) if so, the details thereof;
- (c) whether the customs department failed to collect anti-dumping duty from Special Economic Zones (SEZs);
- (d) if so, whether the Government has taken any steps to recover all the arrears of customs duties; .
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S.PALANIMANICKAM)

Part (a): Yes, Madam.

Part (b): Audit scrutiny vide Compliance Audit Report No. 31 of the year 2011-12 revealed that the amount of customs duty assessed upto 31 March 2011 which was still to be realized as on 31 December, 2011, was Rs 9852.29 crores. Also, customs revenue of Rs. 10074.03 crores demanded upto March 2011 was not realized by the department at the end of the financial year 2010-11. Of this, Rs.1,466.92 crores was undisputed. However, even this amount had not been recovered for period of over five years.

Part (c): No, Madam. There is no provision for charging anti-dumping duty on goods manufactured in SEZs and cleared to Domestic Tariff Area.

Parts (d) and (e): Yes, Madam. The measures taken by the Department to tone up the recovery of customs duty includes directing the Chief Commissioners/ Commissioners to take the following steps:-

- (i) Monitor all case involving revenue of more than Rs. 50 lakhs by approaching CESTAT for early decision in respect of top 25 cases.
- (ii) Getting stay orders by CESTAT/ Courts vacated.
- (iii) Filing early hearing applications in CESTAT/Courts in matters involving significant revenue.
- (iv) Taking action under the Customs (Attachment of Property of Defaulters for Recovery of Government Dues) Rules, 1995.
- (v) Following up cases pending before BIFR / Debt Recovery / Tribunal / Official Liquidator / Committee on Disputes.
- (vi) Disposing of all pending adjudication cases at the level of Commissioners, Additional Commissioners & Joint Commissioners.
- (vii) Ensuring quick implementation of favourable orders of CESTAT/Courts.
- (viii) Effecting one time review of all non-recoverable cases for write off by the concerned authority.

Part (f): Not relevant in view of reply to parts (d) and (e) above.