Government of India

Department of Commerce

Directorate General of Foreign Trade

VanijyaBhawan, New Delhi-110011

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01/89/180/36/PSIA/AM-24/PC(A)

Date of Order: 10.07.2026

Date of Issue: 10.07.2026

Name of the Agency: **M/s Wise Services FZE**

Q1-06012/B, PO Box No.124432,

Sharjah Saif Zone, Sharjah,

United Arab Emirates

Order passed by: **Shri Rakesh Kumar**

Addl Director General of Foreign Trade

ORDER-IN-ORIGINAL

Any person/party aggrieved by this order may prefer an appeal under Section 15 of the Foreign Trade (Development and Regulation) Act, 1992, before the Competent Authority. The appeal may be filed within 45 days from the date of receipt of this Adjudication Order, together with a copy of this Order and a complete set of evidence relied upon, as an Annexure to the appeal.

2. Any person/party desirous of filing an appeal against this order shall deposit the penalty amount and produce proof of payment of the penalty amount along with the appeal to the Appellate Authority, failing which the appeal is liable to be

rejectedfor non-compliance with the provisions of Section 15 of the Foreign Trade (Development and Regulation) Act, 1992.

3. The penalty amount is to be deposited under the Head of Account "1453 Foreign Trade and Export Promotion Minor Head 102 other receipts fines and penalties etc. Imports and Exports Control Organization". Evidence of payment of the penalty is required to be furnished to the Adjudicating Authority within 45 days from the date of service of this Adjudication Order.

4. FACTS OF THE CASE

4.1 M/s Wise Services FZE, Q1-06012/B, PO Box No. 124432, Sharjah Saif Zone, Sharjah, United Arab Emirates (hereinafter referred to as the 'Agency') is a Pre-Shipment Inspection Agency (PSIA) recognized by the Directorate General of Foreign Trade (DGFT) vide Public Notice No. 48/2015-2020 dated 05.01.2023. The Agency was granted recognition as per Para 2.52 of the Handbook of Procedures (hereinafter referred to as 'HBP'), as amended from time to time, for conducting pre-shipment inspections of metallic scrap consignments intended for import into India and issuing Pre-Shipment Inspection Certificates (hereinafter referred to as 'PSICs') in connection therewith.

4.2 During the review of records for the period 1st January 2024 to 31st August 2024, it was observed that the Agency had issued a significantly large number of PSICs covering a vast geographical range in a manner inconsistent with its available personnel and resources. Analysis of the inspection data revealed that the highest number of inspections reported on a single day was 228, on 15.05.2024, followed by 221 inspections on 30.04.2024, 217 inspections on 06.06.2024, 207 inspections on 29.05.2024, 201 inspections each on 16.05.2024 and 15.04.2024, 194 inspections on 18.04.2024, 182 inspections on 08.05.2024, 178 inspections on 25.04.2024, and 176 inspections on 24.04.2024. This volume of inspections reported within single-day windows, spread across a wide range of countries, far exceeded what was physically and logistically feasible for the 30 Handheld Dosimeters and 2 Spectrometers declared by the Agency as registered with the DGFT.

4.3 On further examination of records, it was observed that Pre-Shipment Inspectionconducted against single registered instruments were reflected as having been issued on the same date, i.e. 15.05.2024, by multiple inspectors of the Agency operating from geographically distant and incompatible locations. Instrument No. 45793 was reflected against a total of 10 Pre-Shipment Inspections conducted on 15.05.2024 by seven inspectors of the Agency, namely Mr. AbulKayer Mohammad, Mr. Comlan Senna Glaho, Mr. Ibrahima Conte, Mr. Jitender Singh, Mr. Ruhul Amin, Mr. OloruntoogunMutholib Alani and Mr. Pious Andoh, operating from Benin, Ghana, Ivory Coast, Nigeria and Peru. Instrument No. 45794 was reflected against a total of 15 Pre-Shipment Inspections conducted on the same date by four inspectors, namely Mr. Hugo Jaime Baldeon Aguirre, Mr. HyderHamdaniJalvina, Mr. Leonel EsalasGuardo and Mr. Eric Lopes Melillo, operating from Mexico, Peru, Puerto Rico and USA. Instrument No. 45853 was reflected against a total of 46 Pre-Shipment Inspections conducted on the same date by four inspectors, namely Mr. Bilaluddin Mohammed, Mr. ChantellLaurika Van Niekerk, Mr. Tarun Sandeep and Mr. Trilok Singh, operating from Comoros, Ethiopia, Madagascar, Peru and South Africa.

4.4 The issuance of multiple PSICs on the same day by different inspectors at geographically distant locations using the same inspection instrument raises serious concerns regarding the integrity and coordination of the inspection process. Such issuance within a single day does not appear to be practically feasible and gives rise to a reasonable apprehension that the PSICs may have been issued in a routine or "table-based" manner, without the actual conduct of the requisite physical inspections through the declared registered instrument. The facts and circumstances available on record cast a reasonable doubt on the fairness and certainty of the operations carried out by the PSIA and undermine the credibility of the certifications issued thereunder.

4.5 As per Para 2.51 of the HBP, the import of any form of metallic waste/scrap will be subject to the condition that it will not contain hazardous, toxic waste, radioactive contaminated waste/scrap containing radioactive material, any type of arms, ammunition, mines, shells, live or used cartridge or any other explosive material in any form either used or otherwise. Hence, the import of metallic waste or scrap is a matter of national security interest and recognition of the agencies and subsequent issuance of PSICs will be subject to strict scrutiny.

4.6 In view of the above, Para 2.53(a) of the HBP provides, 'In case of any mis-declaration in PSIC or mis-declaration in the online application form for recognition as PSIA, the PSIA would be liable for penal action under the Foreign Trade (Development & Regulation) Act, 1992, as amended, in addition to suspension/cancellation of recognition.'

4.7 Further, as per Section 11(2) of the Foreign Trade (Development & Regulation) Act, 1992 (hereinafter referred as 'FTDR' Act), 'Where any person makes or abets or attempts to make any export or import in contravention of any provision of this Act or any rules or orders made thereunder or the foreign trade policy, he shall be liable to a penalty as prescribed thereunder.'

4.8 Additionally, as per Section 11(3) of the FTDR Act, 'Where any person signs or uses, or causes to be made, signed or used, any declaration, statement or document submitted to the Director General or any officer authorised by him under this Act, knowing or having reason to believe that such declaration, statement or document is forged or tampered with or false in any material particular, he shall be liable to a penalty as prescribed thereunder.'

4.9 In compliance with Section 14 of the FTDR Act, a Show Cause Notice bearing No. 01/89/180/36/PSIA/AM24/PC(A) dated 20.09.2024 was issued setting out the specific discrepancies and relied-upon evidence, informing the Agency of the grounds on which it was proposed to impose a penalty including suspension or cancellation, and calling upon it to make a representation within such reasonable time before the Adjudicating Authority. A personal hearing was accordingly provided on 30.12.2024, which was attended by the Agency's authorised representatives. Subsequently, an Addendum to the Show Cause Notice bearing No. 01/89/180/36/PSIA/AM-24/PC(A) dated 10.04.2026 was issued due to the transfer of adjudicatory proceedings to a new Adjudicating Authority, thereby necessitating a fresh personal hearing, which was offered to the Agency through hybrid mode on 12.05.2026. The Agency, vide its letter/email dated 29.04.2026 (Ref: WSFZE/DGFT/001/2026), submitted its written response to the Addendum and explicitly stated that it did not require a further personal hearing.

5. SUBMISSIONS OF THE AGENCY

The Agency, vide its reply to the Show Cause Notice, through submissions made during the personal hearing held on 30.12.2024, and through its written response dated 29.04.2026 to the Addendum, submitted the following before the Adjudicating Authority.

5.1 The Agency admitted, at the personal hearing held on 30.12.2024, that the same instrument had indeed been used at multiple locations on the same date while issuing the certificates in question. It was submitted that the PSICs under question were issued in accordance with Public Notice No. 48-2015-2020 dated 05.01.2023, whereby the Agency had been granted Area of Operation across 165 countries against only 30 Handheld Dosimeters and 2 Spectrometers registered with the DGFT, and that it was logistically and physically impossible to move such registered instruments across countries and continents, as radioactivity meters require government permissions and documentation before they can be carried across international borders. The Agency further submitted that it was in possession of over 200 additional radioactivity-checking instruments located at all locations from which it conducts inspections, held in the custody of its individual inspectors, many of which had been purchased by the inspectors themselves and hence could not be registered with the DGFT. The Agency stated that while a DGFT-registered instrument had been declared for the purpose of issuing the PSIC, the actual instrument used could have been different, though it maintained that every container certified by it had been individually inspected using a radioactivity meter.

5.2 The Agency submitted that the above actions, even if improper, were without malintent, and that as a PSIA in operation for the past decade, it had taken every precaution to have each container physically inspected before issuance of a PSIC. It was further submitted that any lapse on its part was attributable, at least in part, to a lack of clarification from the DGFT, and that the DGFT had itself subsequently revised its entire operating system so that one instrument is now assigned to a particular country and all PSICs are issued through the DGFT online system, which was not the position at the time the PSICs in question were issued.

5.3 The Agency contended that it was unable to understand why the DGFT had taken approximately fifteen months between the personal hearing held on 30.12.2024 and the issuance of the Addendum, without any fresh charges or communication of a verdict, and objected that the Addendum had been issued only after its PSIA recognition had expired and its operations had been paralysed. The Agency submitted that it had re-applied for recognition as a PSIA in December 2025 (File No. HQRPSIAAPPLY00000039AM26) and that its application had been rejected notwithstanding scrutiny by the Inter-Ministerial Committee, which had found its instruments and other particulars to be in order. It was submitted that any penalty imposed by the DGFT for a lapse could be recovered from the Bank Guarantee of USD 20,000 already held by the DGFT, and that there was accordingly no justification for withholding renewal of its recognition on account of the pending Show Cause Notice. The Agency further submitted that, in a decade of operations, no radioactive, hazardous, or prohibited material had ever been found in any container certified by it, and that any action taken against it ought to remain subject to appeal without arbitrary action being taken in the interim.

5.4 The Agency concluded by stating that it did not require a further personal hearing, and respectfully requested that the Show Cause Notice No. 01/89/180/36/PSIA/AM24/PC(A)/75 dated 20.09.2024 and the Addendum thereto be treated as closed, and that its pending PSIA application be reconsidered and approved.

6. DISCUSSIONS AND FINDINGS

6.1 At the outset, the principal issue for determination is whether the Pre-Shipment Inspection Certificates (PSICs) issued by the Agency represent inspections actually carried out through the DGFT-registered instruments declared therein, or whether the records maintained by the Agency, read together with its own submissions, disclose such mis-declaration and non-compliance as to render the certifications unreliable and the Agency liable for penal action.

6.2 Unlike matters where an agency disputes the underlying facts, the Agency in the present case has, in its reply and at the personal hearing held on 30.12.2024, expressly admitted that the same DGFT-registered instrument was reflected as having been used at multiple, geographically distant locations on the same date. The Agency's explanation for this admitted fact is that a different, unregistered instrument – one of over 200 such instruments stated to be in the individual custody of its inspectors, many privately purchased and never registered with the DGFT – may in fact have been used at the time of inspection, while the PSIC itself continued to declare the DGFT-registered instrument number. This explanation, far from displacing the charge, constitutes a direct admission of the very mis-declaration alleged in the Show Cause Notice and the Addendum thereto.

6.3 One of the several illustrative instances evidencing such simultaneous use of a single registered instrument at incompatible locations, as identified in the Addendum, is reproduced below:

PSIC Number	Inspector Name	Inspection Country	Inspection Date	Instrument Sr. No.(s)
PSICWSFZEX322630AM25	TRILOK SINGH	Madagascar	15/05/2024	45853
PSICWSFZEX326489AM25	TRILOK SINGH	Ethiopia	15/05/2024	45853
PSICWSFZEX326686AM25	TRILOK SINGH	South Africa	15/05/2024	45853
PSICWSFZEX343173AM25	BILALUDDIN MOHAMMED	Comoros	15/05/2024	45853
PSICWSFZEX356430AM25	TARUN SANDEEP	Peru	15/05/2024	45853
PSICWSFZEX359356AM25	CHANTELL LAURIKA VAN NIEKERK	Peru	15/05/2024	45853
PSICWSFZEX361496AM25	CHANTELL LAURIKA VAN NIEKERK	Peru	15/05/2024	45853

6.4 The obligation under the Handbook of Procedures is not merely to conduct a physical inspection using some instrument, but to conduct the inspection using the specific DGFT-approved instrument declared in the PSIC, and to accurately record the particulars of that instrument. The declaration of the instrument number in a PSIC is a material representation made to the DGFT; the Agency's own submission that the PSIC declared a registered instrument while 'the actual instrument could have been different' is an admission that the particulars recorded in its PSICs were false in a material respect. This squarely attracts Para 2.53(a) of the HBP, which renders a PSIA liable for mis-declaration in a PSIC, as well as Section 11 of the FTDR Act, which penalises the use of any declaration, statement, or document submitted to the Director General that is false in any material particular.

6.5 The Agency's submission that there was no malintent, and that every container was in fact inspected using some radioactivity meter, does not assist its case. The statutory and procedural scheme does not merely require that an inspection be performed by any available meter; it requires that inspections be conducted through instruments duly approved and registered with the DGFT, with their particulars intimated in advance and accurately declared in the PSIC, so as to ensure traceability, accountability, and authenticity of the certification process. The deployment of an admittedly unregistered instrument, followed by the declaration of a different, registered instrument number in the PSIC, cannot be treated as a bona fide or inadvertent lapse. Liability under Para 2.53(a) of the HBP and Section 11 of the FTDR Act does not, in any event, depend upon the presence of malintent; it is attracted upon the making of a false or mis-declared statement, regardless of the Agency's subjective intention.

6.6 The Agency's submission that the lapse was attributable, in part, to a lack of clarification on the part of the DGFT, and that the DGFT has since revised its system to link a single instrument to a single country through the online portal, does not absolve the Agency of liability for the period under consideration. The obligation to conduct inspections only through DGFT-approved instruments, and to truthfully declare their particulars in every PSIC issued, was inherent in Para 2.52 and Para 2.53 of the HBP at all material times, independent of any subsequent system enhancement. A later improvement in portal architecture does not retrospectively cure or excuse a false declaration made prior to such improvement.

6.7 It is further observed that the Agency's admitted possession and deployment of over 200 radioactivity-checking instruments, stated to be individually owned by its inspectors and never registered with the DGFT, itself constitutes a serious and independent violation of the conditions of recognition. A PSIA is obligated to conduct inspections only through instruments duly declared and registered with the DGFT, and any inspection carried out using an unregistered, unapproved instrument, without prior intimation to the DGFT, falls foul of Para 2.52 and Para 2.53 of the HBP regardless of whether the resulting PSIC is otherwise accurate in its other particulars.

6.8 The Agency's grievance regarding the delay of approximately fifteen months between the personal hearing held on 30.12.2024 and the issuance of the Addendum, and its contention that the Addendum was issued only after expiry of its recognition and rejection of its renewal application, do not bear upon the merits of the present adjudicatory proceedings. The adjudication of a Show Cause Notice validly issued in 2024, in respect of violations established on the Agency's own admissions, is independent of, and cannot be foreclosed or estopped by, the separate administrative process concerning renewal of the Agency's recognition. Any grievance the Agency may have regarding the processing of its renewal application, or the timelines followed by the Department, lies in a separate forum and does not constitute a defence to the violations under consideration herein.

6.9 The Agency's submission that the Bank Guarantee of USD 20,000 held by the DGFT is sufficient to cover any penalty, and that this ought to have precluded any adverse action on its recognition, cannot be accepted. Forfeiture of a bank guarantee and cancellation of recognition are distinct and cumulative consequences flowing from established violations under the Handbook of Procedures and the FTDR Act; the mere availability of a bank guarantee does not entitle an agency found to have mis-declared inspection particulars to continued recognition as a PSIA.

6.10 The Agency's submission that no radioactive, hazardous, or prohibited material has ever been found in any container certified by it in a decade of operations proceeds on a fundamentally erroneous understanding of the statutory scheme governing recognised Pre-Shipment Inspection Agencies, which is preventive in nature. Recognition as a PSIA carries with it a continuing statutory obligation to conduct inspections strictly in accordance with the prescribed procedure, through duly registered instruments, and to issue PSICs containing true and accurate particulars. Regulatory action for established mis-declaration is not contingent upon the occurrence of an actual radiation incident or other consequential loss.

6.11 The Agency's allegations of selective treatment and collusion between certain PSIAs and DGFT officers are general, unsubstantiated, and unsupported by any material placed on record. Such allegations, without more, cannot be treated as a defence to the specific violations established against the Agency in the present proceedings, and do not call for any finding in these proceedings.

6.12 It is observed that the principles of natural justice have been fully complied with during the course of the present proceedings. The Agency was afforded a personal hearing on 30.12.2024, at which it was represented and made detailed submissions, and was thereafter offered a fresh personal hearing through hybrid mode on 12.05.2026 pursuant to the Addendum. The Agency, vide its letter/email dated 29.04.2026, expressly stated that it did not require a further personal hearing and requested that the matter be decided on the basis of its written submissions. The present proceedings have accordingly been decided on the basis of the Agency's own written submissions, after affording it full and reasonable opportunity of being heard, which opportunity the Agency has voluntarily chosen not to avail further.

6.13 As per Para 2.53(a) of Handbook of Procedure 2023, mis-declaration of inspection made by the Pre-Shipment Inspection Agency, Para 2.53(a) of HBP reads as,

"In case of any mis-declaration in PSIC or mis-declaration in the online application form for recognition as PSIA, the PSIA would be liable for penal action under Foreign Trade (Development & Regulation) Act, 1992, as amended, in addition to suspension/cancellation of recognition."

6.14 In view of the Agency's own admission that a DGFT-registered instrument was declared in its PSICs while the actual instrument used may have been different and unregistered, and in the absence of any submission displacing the resultant finding of mis-declaration, the discrepancies observed clearly indicate serious and admitted lapses in compliance with the obligations governing the issuance of PSICs.

I, therefore, in exercise of the powers vested in me under Section 13 read with Section 11 of the Foreign Trade (Development & Regulation) Act, 1992, as amended, and Para 2.53(a) of the Handbook of Procedures, pass the following order,

ORDER

01/89/180/36/PSIA/AM-24/PC(A) Dated: 10.07.2026

i. The recognition granted to M/s Wise Services FZE as a Pre-Shipment Inspection Agency is hereby cancelled with immediate effect.

ii. The Bank Guarantee furnished by M/s Wise Services FZE at the time of recognition/renewal as a Pre-Shipment Inspection Agency, is hereby forfeited in full, in view of the established violations of the conditions of recognition and the obligations prescribed under the Handbook of Procedures.

iii. A penalty of ₹10,00,000/- (Rupees Ten Lakhs only) is hereby imposed upon M/s Wise Services FZE under Section 11 of the FT (D&R) Act, 1992, for the violations established herein.

(Rakesh Kumar)

Additional Director General of Foreign Trade

To:

M/s Wise Services FZE, Q1-06012/B, PO Box No. 124432,
Sharjah Saif Zone, Sharjah, United Arab Emirates

Copy to:

1. Joint Secretary, Customs, Central Board of Indirect Taxes and Customs (CBIC)
2. Commissioners of Customs, Chennai / Cochin / Ennore / JNPT / Kandla / Mormugao / Mumbai / New Mangalore / Paradip / Tuticorin / Visakhapatnam / Pipavav / Mundra / Kolkata / Krishnapatnam / Kattupalli / Hazira / Kamarajar
3. DGFT Website
4. EGTF Section, DGFT Hqrs