

Government of India (भारत सरकार)  
Department of Commerce (वाणिज्य विभाग)  
Directorate General of Foreign Trade (विदेश व्यापार महानिदेशालय)  
Vanijya Bhawan, New Delhi-110011 वाणिज्य भवन, नई दिल्ली

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No. 01/89/180/33/PSIA/AM-24/PC(A)

Date of Order: 31.07.2026

Date of Issue: 31.07.2026

Name of the Agency:

Checkpoint Inspection Company  
19, Synagogue Street, 5th Floor,  
Room No-A-544, City Centre,  
Kolkata 700001, West Bengal

Order passed by:

**Shri. Rakesh Kumar**  
**Additional 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 and a complete set of evidence in the form of Annexure to the appeal relied upon in support of 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 penalty amount along with the appeal to the appellate Authority failing which the appeal is liable to be rejected for non-compliance of 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 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 Checkpoint Inspection Company, 19, Synagogue Street, 5th Floor, Room No-A-544, City Centre, Kolkata 700001, West Bengal (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. 34/2015-2020 dated 03.11.2022, conducting pre-shipment inspections of metallic scrap consignments intended for import into India and issuing Pre-Shipment Inspection Certificates (hereinafter referred 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, with as many as 441 inspections reported on a single day (23.05.2024) spanning 13 countries, and 423 inspections on another single day (16.05.2024) spanning 13 countries.

4.3 On further examination of records, it was observed that PSICs issued against several single registered instruments were reflected as having been issued on the same date, i.e. 23.05.2024, by multiple inspectors of the Agency operating from geographically distant and incompatible locations using the same instrument. The specific instances including, by way of illustration, Instrument No. 100810 (132 Pre Shipment Inspections

conducted by 11 inspectors across Belgium and the United Kingdom), Instrument No. 100811 (14 Pre Shipment Inspections conducted by 6 inspectors across Belgium, Netherlands and the UK), Instrument No. 100812 (42 Pre Shipment Inspections conducted by 6 inspectors across Belgium, Netherlands and the UK), Instrument No. 110026 (29 Pre Shipment Inspections conducted by 3 inspectors across Belgium, Malaysia and the Republic of Korea), Instrument No. 110028 (51 Pre Shipment Inspections conducted by 11 inspectors across Belgium, New Zealand and the USA), Instrument No. 110031 (96 Pre Shipment Inspections conducted by 7 inspectors across Belgium, Brazil, Cyprus, Netherlands, the UK and Yemen), Instrument No. 110033 (7 Pre Shipment Inspections conducted by 5 inspectors across Belgium and Germany), Instrument No. 110036 (12 Pre Shipment Inspections conducted by 3 inspectors across Belgium and Saudi Arabia), Instrument No. 110039 (15 Pre Shipment Inspections conducted by 3 inspectors across Belgium, Saudi Arabia and Yemen), and Instrument No. 200408 (17 Pre Shipment Inspections conducted by 7 inspectors across Belgium, Canada and Cyprus) are tabulated and set out in detail at Para 4 of the Addendum referred to hereunder, the simultaneous use of each such single instrument across such disparate geographies on the same date being physically and logistically unattainable.

**4.4** As per Para 2.51 of the Handbook of Procedures (hereinafter referred to as 'HBP'), the import of any form of metallic waste or scrap is 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 is subject to strict scrutiny.

**4.5** 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 Foreign Trade (Development &



Regulation) Act, 1992, as amended, in addition to suspension/cancellation of recognition.'

**4.6** 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

**4.7** 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.

**4.8** In compliance with Section 14 of the FTDR Act, a Show Cause Notice bearing No. 01/89/180/33/PSIA/AM24/PC(A) dated 20.09.2024 was issued to the Agency, setting out the specific discrepancies and relied-upon evidence and calling upon the Agency to show cause as to why its recognition as a PSIA should not be suspended or cancelled, why penalty under Section 11(2) and Section 11(3) of the FTDR Act should not be imposed, and why its Proprietors/Partners/Directors should not be blacklisted. The Agency submitted its reply dated 08.11.2024, and a personal hearing was granted on 31.12.2024 before the then Adjudicating Authority. Subsequently, an Addendum to the Show Cause Notice bearing No. 01/89/180/33/PSIA/AM-24/PC(A) dated 02.04.2026 was issued to the Agency, consequent upon the transfer of the adjudicatory proceedings to a new Adjudicating Authority and in the interest of the principles of natural justice, setting out the specific instances of instrument-sharing across geographically distant locations and affording the Agency a fresh opportunity of being heard. The Agency was called upon to furnish details of the visits/inspections undertaken by its inspectors in respect of the



aforesaid PSICs, together with supporting documentary evidence, and was afforded an opportunity of personal hearing through hybrid mode on 05.05.2026 between 02:00 PM and 05:00 PM. Prior to the scheduled hearing, the Agency, vide its communication dated 15.04.2026, submitted that, owing to certain personal reasons, the Proprietor was constrained from attending the scheduled personal hearing and requested that his absence be excused. The Agency further requested that its written submission dated 15.04.2026 be treated as its final submission and be read in conjunction with its earlier detailed reply dated 08.11.2024 and the additional submissions forwarded by email dated 03.01.2025. The said written submissions were taken on record and have been duly considered in the present adjudication.

## **5. SUBMISSIONS OF THE AGENCY**

**5.1** The Agency, vide its reply dated 08.11.2024, its further written submission dated 15.04.2026 filed in response to the Addendum to the Show Cause Notice, and its email dated 04.05.2026, submitted before the Adjudicating Authority that, owing to personal reasons, it was constrained from attending the scheduled personal hearing. The Agency therefore requested that its written submission dated 15.04.2026 be taken on record as its final submission and be read in conjunction with its earlier detailed explanations dated 08.11.2024 and 03.01.2025 submitted through email. The Agency further submitted that the aforesaid written submissions adequately addressed the issues raised in the Show Cause Notice and the Addendum thereto, and requested that the matter be decided on the basis of the material available on record.

**5.2** The Agency submitted that it is a duly recognized PSIA, authorised by DGFT vide Public Notice No. 34/2015-2020 dated 03.11.2022, and that its area of operation was subsequently revised in line with the Minutes of the 24th Meeting of the Inter-Ministerial Committee (IMC) dated 05.04.2024, with such revised area of operation stated to be aligned to the number of instruments held by the Agency. The Agency further submitted



that it is authorised to use a total of 19 radiation scanners (4 authorised on 03.11.2022 and 15 additional scanners authorised on 14.02.2023 vide Public Notice No. 56/2015-2020) and 1 Spectrometer, all approved by DGFT.

**5.3** On the core allegation of simultaneous use of a single instrument at geographically distant locations, the Agency denied the allegation and submitted that the instrument number recorded in the PSIC corresponds to the type/model of scanner approved, and that the same approved model is stationed as multiple physical units in different countries; accordingly, the use of an identical instrument number by different inspectors in different countries on the same date reflects the use of different physical units of the same model, and that the inspections were physically carried out.

**5.4** The Agency further submitted that several of the PSICs in question pertain to countries classified as 'safe countries' under Public Notice No. 43/2023 dated 14.02.2024, stated to include Belgium, the United Kingdom, Netherlands, New Zealand, Germany, Canada and the USA, in which shipments are exempt from the requirement of a PSIC on account of being low-risk regions equipped with radiation scanners at ports. The Agency contended that it was accordingly not obligated to issue a PSIC for shipments from such countries, and that physical inspection was nonetheless carried out at the request of exporters.

**5.5** The Agency contended that the figures relied upon in the Show Cause Notice may reflect the number of containers rather than the number of PSICs issued, since a single PSIC may cover more than one container, and that treating container counts as PSIC counts misrepresents the data.

**5.6** The Agency further submitted that the DGFT portal does not permit recall, cancellation, or modification of a PSIC once submitted, so that where importers/exporters seek corrections (such as split Bills of Lading, change of consignee, or correction of seal numbers), a fresh duplicate PSIC has to be issued, with the original incorrect PSIC

remaining visible in the database and thereby inflating the apparent count without any corresponding additional inspection. The Agency also submitted that where a single Bill of Lading covers containers loaded over multiple days, the DGFT portal permits entry of only one loading date, which may give a misleading impression that all containers were inspected on a single day.

5.7 Without prejudice to the foregoing, the Agency submitted that any discrepancies that may exist are attributable to the transitional and procedural difficulties experienced during the structural changes introduced to the DGFT system in 2024, including inadequate employee awareness during the transition period, and are at best inadvertent typographical or data-entry errors, bona fide and without malafide intent, and not indicative of any wilful default or contravention. The Agency stated that it has since strengthened its internal checks and enhanced staff training, and requested that the proceedings be dropped in the interest of justice and equity.

## 6. DISCUSSIONS AND FINDINGS

6.1 At the outset, it is noted that the Agency was afforded due and adequate opportunity to respond to the allegations levelled against it the Show Cause Notice, the Addendum thereto, the replies filed by the Agency, the written submissions dated 15.04.2025, the documents placed on record and all other materials available in the proceedings. The principal issue for determination is whether the Pre-Shipment Inspection Certificates (PSICs) issued by the Agency represent inspections actually conducted in accordance with the provisions of the Foreign Trade Policy and Handbook of Procedures, 2023 or whether the Agency's own inspection records disclose such operational impossibilities and inconsistencies as to render the certifications unreliable. The present proceedings are founded not upon assumptions or presumptions but upon an examination of the inspection particulars, PSIC data, deployment details of inspectors and DGFT-approved inspection instruments furnished by the Agency itself.

**6.2** Upon examination of the records, it is observed that the Agency's inspection records reflect an exceptionally high volume of Pre-Shipment Inspections, namely 441 inspections across 13 countries on 23.05.2024 and 423 inspections across 13 countries on 16.05.2024. Further, the specific instances identified in the Show Cause Notice and the Addendum, which are only a few illustrative examples of the numerous discrepancies noticed during scrutiny of the records, reveal the same DGFT-approved inspection instrument being reflected against inspections purportedly conducted on the same date by different inspectors at geographically distant and mutually incompatible locations. Such deployment is physically and operationally impossible and casts serious doubt on the authenticity, credibility and reliability of the inspections and the consequent PSICs issued by the Agency. One of the several specific instances of such inspections is set out hereunder:

| Sl. No. | PSIC Number          | Inspector Name     | Inspection Country | Inspection Date | Sr No. of Instrument |
|---------|----------------------|--------------------|--------------------|-----------------|----------------------|
| 1       | PSICCICXXX323138AM25 | Abdul rauf         | United Kingdom     | 23.05.2024      | 110031               |
| 2       | PSICCICXXX323665AM25 | Tolle Davids       | United Kingdom     | 23.05.2024      | 110031               |
| 3       | PSICCICXXX324624AM25 | Victor Calixto     | Brazil             | 23.05.2024      | 110031               |
| 4       | PSICCICXXX324668AM25 | Victor Calixto     | Brazil             | 23.05.2024      | 110031               |
| 5       | PSICCICXXX324783AM25 | Benedito Parreiras | Brazil             | 23.05.2024      | 110031               |
| 6       | PSICCICXXX324787AM25 | Victor Calixto     | Brazil             | 23.05.2024      | 110031               |
| 7       | PSICCICXXX324845AM25 | Abdul rauf         | United Kingdom     | 23.05.2024      | 110031               |
| 8       | PSICCICXXX326451AM25 | BENEDITO PARREIRAS | Brazil             | 23.05.2024      | 110031               |
| 9       | PSICCICXXX327600AM25 | Ronald Joseph      | Netherlands        | 23.05.2024      | 110031               |
| 10      | PSICCICXXX327617AM25 | Firmino Meirelles  | Brazil             | 23.05.2024      | 110031               |
| 11      | PSICCICXXX330011AM25 | Ronald Joseph      | Belgium            | 23.05.2024      | 110031               |

|    |                      |                     |         |            |        |
|----|----------------------|---------------------|---------|------------|--------|
| 12 | PSICCICXXX330191AM25 | Firmino Meirelles   | Belgium | 23.05.2024 | 110031 |
| 13 | PSICCICXXX330655AM25 | Salvatierra Hilario | Cyprus  | 23.05.2024 | 110031 |
| 14 | PSICCICXXX330733AM25 | Firmino Meirelles   | Belgium | 23.05.2024 | 110031 |
| 15 | PSICCICXXX339840AM25 | Ronald Joseph       | Yemen   | 23.05.2024 | 110031 |

6.3 The Agency has contended that the instrument number recorded in the PSIC represents only the model or type of radiation scanner and that multiple physical units of the same approved model were stationed in different countries. The contention cannot be accepted. The regulatory framework governing recognised PSIAs requires every DGFT-approved inspection instrument to be individually declared, identifiable, and mapped to the concerned branch and area of operation. Para 2.52(g) of the Handbook of Procedures mandates that any amendment relating to inspection instruments shall be duly updated on the DGFT portal, thereby contemplating instrument-specific, and not merely model-specific, declaration and traceability. Had the Agency's contention been correct, no purpose would have been served by requiring individual instrument numbers to be declared and updated on the portal at all; a model/type designation alone would have sufficed. The Agency's own conduct in declaring specific instrument numbers, rather than generic model designations, on the portal is itself inconsistent with the explanation now advanced. Acceptance of the Agency's contention would defeat the very purpose of instrument traceability and accountability envisaged under the PSIA framework and would render the declaration requirement otiose. No contemporaneous documentary evidence identifying the particular physical unit allegedly deployed for each inspection, or distinguishing one unit from another, has been produced by the Agency. Accordingly, the explanation remains a bald assertion unsupported by evidence and is rejected.

6.4 The Agency has further contended that several of the consignments originated from jurisdictions classified as "safe countries" under the relevant DGFT notification and

that issuance of PSICs for such consignments was voluntary. The contention is misconceived. The exemption from mandatory production of a PSIC merely dispenses with the statutory requirement of furnishing a certificate for imports originating from notified jurisdictions. Once a recognised PSIA voluntarily undertakes to conduct an inspection and issue a PSIC, it remains bound by all obligations prescribed under the Handbook of Procedures. Every PSIC issued under the recognition granted by DGFT carries an assurance that the inspection has been physically conducted using DGFT-approved inspection instruments and in accordance with the prescribed procedure. The voluntary nature of the certification neither dilutes these statutory obligations nor explains the discrepancies observed in the Agency's inspection records.

**6.5** The Agency has also contended that the figures relied upon in the Show Cause Notice represent the number of containers rather than the number of PSICs and that a single PSIC may cover multiple containers. The contention is misconceived. It is pertinent to note that vide email dated 15.04.2026, the Agency was expressly informed that, in the tabular data contained in Para 4 of the Addendum to the Show Cause Notice, the term "PSICs" shall be read as "PSIs (Pre-Shipment Inspections)", while all other contents of the Addendum remained unchanged. The Agency was thus fully apprised that the present proceedings are not founded upon the numerical count of PSICs reflected against a particular inspection instrument but upon the Pre-Shipment Inspections undertaken using the concerned DGFT-approved inspection instruments. Accordingly, whether a single PSIC covered one container or multiple containers is immaterial to the issues under consideration. The discrepancies identified in the present proceedings arise from the Agency's own inspection records, which reflect deployment of identical DGFT-approved inspection instruments against inspections purportedly conducted on the same date at geographically distant locations. The Agency's contention regarding container count and PSIC count, therefore, does not explain or rebut the operational impossibilities emerging from the inspection records and is rejected.



6.6 The Agency has further attributed the discrepancies to certain limitations of the DGFT portal, including the absence of a facility for cancellation, modification or recall of PSICs and the requirement of entering a single loading date where containers are loaded over multiple days. The issue under adjudication, however, is not the inability to modify or cancel PSICs, nor the manner of recording loading dates, but the repeated declaration of the same DGFT-approved inspection instrument in relation to inspections purportedly carried out by different inspectors at geographically distant locations during the same period. The Agency has failed to establish any rational nexus between the alleged portal limitations and the discrepancies identified in the Show Cause Notice and the Addendum. Moreover, the burden to substantiate the correctness of the declarations made on the DGFT portal rests squarely upon the recognised PSIA. Despite being afforded adequate opportunities, the Agency has failed to produce any contemporaneous documentary evidence, including inspection records, instrument deployment records, equipment movement logs, inspection photographs, videos or other records maintained in the ordinary course of business, to demonstrate that the impugned inspections were in fact conducted using the declared DGFT-approved instruments. On the contrary, in its written submission dated 15.04.2026, the Agency itself stated that the relevant inspection reports and photographic evidence were still under compilation, thereby acknowledging that such material had not been produced during the course of the adjudication proceedings. In the absence of any cogent evidence establishing that the discrepancies arose solely on account of the alleged portal limitations, the explanation remains unsubstantiated and is accordingly rejected.

6.7 The Agency has lastly attributed the discrepancies to transitional issues arising from changes in the DGFT portal, inadequate employee awareness and inadvertent typographical or data-entry errors. Such general explanations cannot displace the material inconsistencies emerging from the Agency's own inspection records. The instances identified in the Show Cause Notice and the Addendum are only a few illustrative examples of a much larger pattern of discrepancies noticed during examination of the



records. In the absence of any specific, contemporaneous and verifiable documentary evidence establishing that the discrepancies were occasioned solely by inadvertent data-entry mistakes, the plea of bona fide error remains unsubstantiated and is rejected.

**6.8** It is further observed that the Agency has failed to produce any contemporaneous inspector deployment records, instrument custody registers, equipment movement records, GPS records or any other independent documentary evidence demonstrating that the DGFT-approved inspection instruments were actually deployed in the manner reflected in the inspection records. The burden to satisfactorily explain the discrepancies appearing in its own records squarely rested upon the Agency. Mere assertions founded upon portal limitations or administrative explanations, unsupported by contemporaneous evidence, are insufficient to rebut the findings established from the record.

**6.9** The issuance of Pre-Shipment Inspection Certificates unsupported by reliable and verifiable inspection records constitutes a serious failure in the discharge of statutory obligations. The PSIC mechanism serves as a critical regulatory safeguard to ensure that imported metallic scrap entering India is free from radioactive contamination, arms, ammunition, explosives and other hazardous materials. Any compromise in the integrity and credibility of the inspection process directly undermines public safety, environmental protection and national security. Regulatory action under the Foreign Trade (Development & Regulation) Act, 1992 does not depend upon proof that any hazardous consignment actually entered India or that a customs objection was raised. Serious deficiencies affecting the authenticity and reliability of the inspection process are themselves sufficient to attract regulatory consequences.

**6.10** The issuance of PSICs without actual physical inspection, or without verifiable evidence of the same, constitutes a serious lapse in the discharge of statutory obligations. Pre-Shipment Inspection Certificates serve as a critical regulatory safeguard to ensure that metallic scrap imports are free from radioactive contamination and hazardous

material before entry into Indian ports. Any compromise in the integrity of such inspections transcends a mere procedural lapse and carries direct implications for public safety, port infrastructure, and national security.

**6.11** 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."*

**6.12** In the absence of any satisfactory explanation or supporting documentary evidence demonstrating the physical movement and deployment of the inspector and inspection device across such locations, the contention of the Agency cannot be accepted. The discrepancies observed clearly indicate serious lapses in compliance with the obligations governing 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**

**No.: 01/89/180/33/PSIA/AM-24/PC(A)**

**Dated: 31.07.2026**

- i. The recognition granted to M/s Checkpoint Inspection Company as a Pre-Shipment Inspection Agency is hereby cancelled with immediate effect.
- ii. The Bank Guarantee furnished by M/s Checkpoint Inspection Company 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 Checkpoint Inspection Company 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 Checkpoint Inspection Company,  
19, Synagogue Street, 5th Floor, Room No-A-544,  
City Centre, Kolkata 700001,  
West Bengal

**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 / Adani Gangavaram
3. DGFT Website
4. EGTF Section, DGFT Hqrs