

Record of Discussion from the 25th Meeting of the Inter-Ministerial Committee (IMC)

Date & Time: October 15, 2024 at 3:00 PM

Location: Vanijya Bhawan, New Delhi (Hybrid Mode)

Chair by: Ms. Shubhra, Additional Director General of Foreign Trade

1. The 25th meeting of the Inter-Ministerial Committee (IMC) convened to review applications for recognition as Pre-Shipment Inspection Agencies (PSIA) under Appendix 2G, as per Para 2.52 of the Handbook of Procedures (HBP) 2023, and to discuss the addition of Areas of Operations (AO) for existing PSIAs. A comprehensive list of participants is attached as an annexure.

2. **Agenda Items Discussed:** At the outset, the Chairperson welcomed all participants, briefly outlining the purpose of the meeting and the agenda to be considered in sequence. The key items discussed during the meeting were as follows:

A. **Implementation Status of Last Meeting's Decisions:** The committee reviewed the implementation status of the decisions made in the previous IMC meeting, which mandated that Areas of Operation align with the available equipment and instruments in possession of the Agencies. This was deemed essential to ensure compliance with inspection protocols and to streamline operations.

B. **Recognition/Renewal of PSIA Applications:** The committee considered ten new applications for PSIA recognition and renewal. This involved scrutinizing each application to assess compliance with the necessary regulations and standards.

C. **Addition of Instruments for Existing PSIAs:** The committee considered the addition of instruments for seven existing PSIAs. This was aimed at enhancing the operational capacity of these agencies and ensuring they can meet industry demands effectively.

4. **Detailed Discussion Points:**

a) **Introduction to Pre-Shipment Certificate Process:** The meeting commenced with a detailed presentation regarding the Pre-Shipment Certificate (PSC) process, elaborating on the steps involved, the protocols for inspections, and the various instruments utilized in these procedures.

b) **Action Taken Report of Last Meeting Decisions on mapping equipment to jurisdictions:**

Para 3 (ii) of the said Minutes of the 24th Meeting dated 05.04.2024 had provided that:

“Committee decided that PSiAs must declare specific instruments and inspectors corresponding to specific countries/branches, employed by them beforehand. These specific instruments & inspectors will be linked to specific countries in the online system. This may be done in step-by-step manner by calling information from all PSiAs. In future application form for recognition of PSIA may be amended to capture this information”.

In order to comply with the decision taken by the Committee in last meeting as noted above, the Committee was briefed on the issuance of Public Notices Specifically, Public Notice 11/2024-25 (dated June 12, 2024) and Public Notice 12/2024-25 (dated June 26, 2024) for the revision of jurisdictions of the PSiAs and registration of equipments. Further seeing no forthcoming response from PSiAs on mapping of equipments vis-à-vis jurisdictions, suo-moto revision of jurisdictions based on the number of equipments was undertaken in September, 2024 and an opportunity was given to all PSiAs to provide concurrence or confirmation of the jurisdictions desired with proper mapping of equipment to countries. The Committee decided to notify the revision of jurisdictions based on the mapping of equipments provided by all the PSiAs as per last meeting. The Committee appreciated the efforts and decided to expedite the process so that PSiAs may be disciplined going forward and fulfill their assigned roles.

- c) **Requirement of Import of Metal Scrap through PSiAs:** Concerns regarding the quality of inspections conducted by PSiAs were discussed, particularly in view of the large number of inspections reported by some of the PSiAs with the limited number of equipments. The representative from Ministry of Steel and the Department for Promotion of Industry and Internal Trade (DPIIT) were asked to provide clarity on reported import figures, with initial confirmations indicating that the requirement of imported quantity was approximately 10 Million Tonnes.
- d) **PSIC being insisted for all consignments:** Representatives from the industry reported that Customs continued to request these certificates at all the ports, including those exempted from requirements in terms of Para 2.5 (V) (IV). In response, CBIC representative acknowledged that confusion had arisen regarding the term "Cleared at Port" and indicated that further instructions would be issued to clarify this matter.
- e) **KYC Conducted by Member Organizations:** Another topic of discussion was the need for enhanced scrutiny from member organizations such as the MRAI, BIR ISRI, BMR. The committee agreed that these organizations should be asked to undertake due diligence to ensure a proper KYC (Know Your Customer) compliance for all PSiAs, particularly where agencies fail to meet the required standards. It was proposed to make it mandatory for PSiAs to provide valid passport details of the proprietors/ promoters/ CEOs/Directors as a form of

identification. This would also require amending the relevant guidelines in the ANF (Application Form). The Committee agreed with this rectification.

- f) **Request from Industry on Post-Shipment Inspection:** The issue of Industry representatives stating that due changes in Areas of Operation of PSIAs in June, 2024 had created challenges in carrying out Pre-Shipment Inspections, resulting in non-clearance of shipments arrived without PSIC in some instances. Customs clarified that without the requisite PSIC as required under Policy/ Procedure, it will not be possible to clear the consignment. The Ministry of Steel echoed this sentiment, indicating that clearance would only be provided in terms of existing policy guidelines. However, DPIIT suggested allowing a one-time Post Inspection as a transitional measure to assist industry members facing compliance challenges. Any possible exemptions or relaxations would need to be approved by the DGFT and will need to be duly handled by Customs at Ports.
- g) **Instrument Mapping for Larger Countries:** Discussion were held on requirement of instruments for larger countries, such as the USA and Australia and it was emphasized by the committee that a single instrument may not suffice for larger regions. A more detailed approach was suggested, exploring equipment mapping based on ports, yards and regions to mitigate the risk of shadow agencies operating within these territories.
- h) **Complaints against PSIA Malpractices:** The committee was briefed about the multiple complaints regarding malpractices, monopolistic behaviors, and cartelization among PSIAs. Reports indicated that some agencies were issuing hundreds of certificates daily while operating multiple agencies. The Committee was also informed about the issuance of Show Cause Notices to a number of PSIAs regarding possible non-compliance with inspection protocols. Further, it was decided that due action be taken against miscreants and violators.
- i) **Verification of Equipments:** Committee noted that for all requests for the addition of equipment, the AERB (Atomic Energy Regulatory Board) should conduct physical inspections to ensure compliance. The costs associated with these inspections should be borne by the companies/PSIAs, or alternatively, companies could bring equipment to the AERB office for verification accompanied by a proforma invoice.
- j) **Strengthening of the Digital Footprint of the Certificate (PSIC):** Additionally, it was proposed to implement a digital signature feature on the information portal for PSICs to enhance security and streamline processes. The need for a nominal fee (of Rs. 800 or \$10) per inspection per container was discussed and agreed to capture the digital footprint. It was also discussed to explore the possibility of geo-tagging the generation of Certificate.
- k) **Access to Online Application Portal:** The committee discussed the need for all relevant ministries and AERB to have access to the online application portal. To

improve application processing, DGFT suggested onboarding of concerned AERB officials on the portal and seeking fresh applications only on periodic basis (quarterly or six-month basis).

- l) Import from Conflict Zones:** The committee discussed on the need to maintain control on import of scrap from countries in conflict or war zones, suggesting that a policy should be considered to suspend imports from such regions to prevent entry of live ammunition. The MEA was requested to provide inputs on feasibility of such mechanism through maintaining negative list of countries on regular basis in monitoring these imports, with the understanding that embassies would assess the possible risk from such country of origin.
- m) Verification of Credentials of PSIAs:** Another issue discussed was the need for assessing the claimed experience of firms applying for recognition. It was suggested that companies should be required to submit audited balance sheets as credible proof of experience, rather than relying solely on lease agreements. Furthermore, it was discussed that periodic inspection of the joint committee through concerned embassy may be explored to verify the physical presence of PSIAs.
- n) Formation of Working Groups:** The committee discussed forming three sub-working groups, with specific mandates:
 - i. Inspection Protocols Working Group Under AERB:** To examine the equipment framework necessary for undertaking inspection recognition, accreditation and considering recent technological developments.
 - ii. Infrastructure Working Group under Customs/DoR:** To oversee and regularly update on the installation of radiation monitors and container scanners, ensuring compliance with safety protocols.
 - iii. Physical Presence Verification Working Group under DGFT:** To establish protocols to verify whether inspection are being conducted by PSIAs with compliance of inspection protocol and with physical presence with participants from MEA, DGFT and AERB.

These will be taken up with concerned department for suitable nomination and necessary action.

5. During the meeting, the committee was informed that, currently, eleven (11) new applications and seven (7) applications for the addition of equipment areas are pending and are included in the agenda for discussion, as outlined in the Annexure. These applications have been forwarded to the AERB for equipment verification; however, no comments had been received from the AERB at that time. Furthermore, due to the

absence of the AERB-nominated official at the meeting, cases have been deferred. A reminder is being issued to AREB for comments.

6. The 25th meeting of the Inter-Ministerial Committee was marked by productive discussions aimed at broad-basing the discussion on inspection protocols, disciplining the PSIAs and enhancing credentials of the inspection process. The committee's commitment to fostering collaboration between various stakeholders and ensuring compliance with established protocols will be crucial in maintaining the integrity of the inspection process moving forward.

The meeting ended with a vote of thanks to the Chair.

Annexure A

LIST OF PARTICIPANTS

S.No.	Name & Designation	Ministry/ Deptt./Organisation
1.	Ms. Shubhra, Addl.DGFT-In Chair	DGFT
2	Shri Deepak Jhalani-Deputy DGFT	DGFT
3.	Shri Lalit, Deputy Secretary	DPIIT
4.	Shri Hemant Kumar, Deputy Secretary	DPIIT
5.	Shri S.S. Meena, Under Secretary	DPIIT
6.	Shri Neeraj Goyal, OSD	CBIC/DoR
7.	Shri Vinod K Singh	MoEF&CC
8.	Ms. Sita Narayan, Under Secretary	M/o Steel
9.	Shri Amit, Under Secretary	MEA
10.	Shri Jayekshaw Kumar, FTDO	DGFT
11.	Shri Vishal Yadav	DGFT
12.	Ms. Gurleen Kaur	DGFT
13.	Ms. Shubhangi Thakur	DGFT

Annexure B**1. List of Fresh Application**

S.No.	File No.	Name of PSIA	
1.	HQRPSIAAPPLY00000001AM25	MATS FAREAST PTE LTD	
2	HQRPSIAAPPLY00000392AM24	CAYLEY AEROSPACE INC	
3.	HQRPSIAAPPLY00000006AM25	APGM ENGINEERING SERVICES PRIVATE LIMITED	
4.	HQRPSIAAPPLY00000012AM25	Carbonguard FZC	
5.	HQRPSIAAPPLY00000406AM24	Humber Inspection International Limited	
6.	HQRPSIAAPPLY00000410AM24	Silver Dragon Resources Singapore Pte Ltd	
7.	HQRPSIAAPPLY00000003AM25	Hamilton Steel Logistics Inc	
8.	HQRPSIAAPPLY00000428AM24	Mitra S. K. Private Limited	
9.	HQRPSIAAPPLY00000002AM25	Global Quality Technology Group Ptv Ltd	
10.	HQRPSIAAPPLY00000424AM24	Ruswal Global LLC	
11.	HQRPSIAAPPLY00000028AM25	Marine Inspection and Logistics International Rotterdam	

2. List of Applications for Addition of Equipments

S.No.	File No.	Name of PSIA
1.	HQRPSIAAMEND00000007AM25, HQRPSIAAMEND00000033AM25	Global Mines and Minerals FZE
2	HQRPSIAAMEND00000008AM25, HQRPSIAAMEND00000034AM25	SGNCO Green Resources Ltd.
3.	HQRPSIAAMEND00000015AM25	SOLITARY CONSULTANT PVT.LTD.
4.	HQRPSIAAMEND00000011AM25, HQRPSIAAMEND00000030AM25	Seacor International LLC
5.	HQRPSIAAMEND00000020AM25	Baltic Testing India Private Limited
6.	HQRPSIAAMEND00000029AM25	SVIA CONSULTANT SERVICES LLP
7.	HQRPSIAAMEND00000395AM24, HQRPSIAAMEND00000394AM24	Ruswal Global LLC
8.	HQRPSIAAMEND00000032AM25	Global marine Inspection
9.	HQRPSIAAMEND00000031AM25	Valmark International