

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

No. 01/89/180/37/PSIA/AM-24/PC(A)

1412

Date of Order: 17.07.2026

Date of Issue: 17.07.2026

Name of the Agency:

M/s SMV International Incorporation

M-93, 3rd Floor, Saket,

New Delhi – 110017

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 SMV International Incorporation, M-93, 3rd Floor, Saket, New Delhi – 110017 (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. 11/2024-2025 dated 12.06.2024. 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 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 12,234 inspections during the said period, averaging 50 inspections per day against the declared capacity of only 8 authorised instruments across 8 countries. Analysis of the top inspection days revealed an extraordinarily high volume of certifications reported on single dates: 243 inspections on 14.06.2024 spanning 14 countries (Chile, USA, Netherlands, Canada, Peru, Brazil, Japan, Panama, Senegal, Norway, Australia, Saudi Arabia, Poland and South Africa), and 240 inspections on 02.07.2024 spanning 19 countries (USA, Brazil, Panama, UK, Canada, Netherlands, Senegal, Peru, Germany, Saudi Arabia, Qatar, New Zealand, Japan, Israel, Yemen, Oman, Kuwait, Chile and Venezuela). This volume of inspections far exceeded what is physically and logistically feasible for the declared equipment and personnel available with the Agency.

4.3 On further examination of records, it was observed that PSICs issued against single registered instruments were reflected as having been issued on the same date, i.e. 14.06.2024, by multiple inspectors of the Agency operating from geographically distant and incompatible locations. The specific instances namely, Instrument No. 100695 (125 Pre-Shipment Inspections conducted on 14.06.2024 by 14 different inspectors, including Mr. Adam Sibhuya, Mr. Alex Cera, Mr. Aquenatonteoton io Remailh, Mr. Arthur Jacob, Mr. Edgardo William, Mr. H. Coort, Mr. Idaayat Basha, Mr. Idaayat Basha Nazeer Basha, Mr. Kees van Saase, Mr. L. de Vries, Mr. Rajesh Arisella, Mr. Rodrigues da Silva, Mr. Sanjay Singh Negi and Mr. Vikas Sharma, operating from Australia, Brazil, Chile, Japan, Netherlands, Panama, Peru, South Africa and USA), Instrument No. 100697 (26 Pre Shipment Inspections conducted on 14.06.2024 by 3 inspectors, Mr. Idaayat Basha, Mr. Idaayat Basha Nazeer Basha and Mr. Ni Made Wulandari Sukenasa, operating from Canada and Senegal),



Instrument No. 100699 (47 Pre Shipment Inspections conducted on 14.06.2024 by 4 inspectors, Mr. Adam Sibhuya, Mr. Edgardo William, Mr. Jacob and Mr. Saravjeet, operating from Canada, Chile, Norway and USA), and Instrument No. 100700 (41 Pre Shipment Inspections conducted on 14.06.2024 by 2 inspectors, Mr. Hamdi Ahmed Ahmed Mohamad and Mr. Ni Made Wulandari Sukenasa, operating from Chile and Netherlands) the simultaneous use of each such single instrument across such disparate geographies on the same date being physically and logistically unattainable.

4.4 The facts and circumstances available on record, particularly the issuance of multiple Pre-Shipment Inspection Certificates within a single day using the same instruments and involving inspections at geographically distant locations, give rise to a reasonable apprehension regarding the reliability, transparency, and consistency of the inspection process adopted by the PSIA. These circumstances raised concerns and 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 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. 01/89/180/37/PSIA/AM24/PC(A) dated 19.09.2024 was issued setting out the specific discrepancies and relied-upon evidence informing of the grounds on which it is proposed to impose a penalty including suspension or cancellation and make a representation within such reasonable time before the adjudicating authority. A personal hearing was accordingly provided on 30.12.2024. Subsequently, an Addendum to the Show Cause Notice bearing No. 01/89/180/37/PSIA/AM-24/PC(A) dated 07.04.2026 was issued on account of the transfer of adjudicatory proceedings to a new Adjudicating Authority. In keeping with the principles of natural justice, and more particularly the rule of *audi alteram partem*, which requires that a person be heard by the very authority who is to decide the matter, a fresh personal hearing was afforded to the Agency so as to ensure that no prejudice was occasioned to it on account of the change in the Adjudicating Authority. Such fresh hearing was duly provided on 29.04.2026 and was personally attended by Shri Dinesh Aneja, Proprietor of the Agency, who was afforded a full and effective opportunity to present the Agency's defence and make submissions before the Adjudicating Authority.

5. SUBMISSIONS OF THE AGENCY

The Agency, vide its final reply to the Addendum to the Show Cause Notice dated 23.05.2026, read together with all its earlier replies and submissions, made the following submissions before the Adjudicating Authority.

5.1 The Agency submitted that the allegations contained in the Addendum to SCN are founded primarily on assumptions drawn from portal-based issuance records without considering the actual operational methodology followed in international pre-shipment inspections. It was contended that a PSIC is not generated simultaneously with the physical inspection of goods, and that inspection and issuance are separate stages forming part of a larger operational cycle. The process ordinarily includes physical examination of cargo, verification of scrap material, preparation of inspection notes, review of supporting shipping documents, internal compliance checks, reconciliation with commercial documentation, and thereafter final issuance/upload of the PSIC. Accordingly, the date reflected on the DGFT



portal corresponds only to the final issuance stage and not the actual date or time at which field inspection was conducted.

5.2 The Agency further submitted that inspection activities are undertaken across different countries and jurisdictions operating in different time zones, that processing of documentation, coordination with importers/exporters, and uploading of finalised certificates often takes place centrally or in batches, and that consequently multiple PSICs may legitimately appear with similar issuance dates despite inspections having occurred at different times and locations. It was also contended that in international scrap trade, multiple containers are frequently inspected at the same yard, terminal, or loading location, that mechanised handling systems and continuous loading operations enable inspections of several consignments within relatively short operational windows, and that numerical clustering of PSICs cannot by itself lead to an inference of non-inspection.

5.3 The Agency relied upon Public Notice No. 46 (2015-2020) dated 14.01.2022, submitting that several consignments referred to in the Addendum pertain to jurisdictions categorised as 'safe countries/regions' including USA, UK, Canada, Australia, New Zealand and European Union member states, imports from which do not mandatorily require a PSIC subject to prescribed conditions and designated ports. The Agency submitted that in practical trade operations, PSICs are nonetheless often still requested by overseas suppliers, importers, customs intermediaries, shipping lines, or financial institutions as an additional commercial or documentary safeguard, and that accordingly issuance of PSICs for such safe-country consignments is frequently undertaken merely as a procedural convenience and not because of any statutory compulsion. It was contended that such PSICs cannot be viewed with the same lens as mandatory inspections and ought not to form the basis of adverse inference regarding operational feasibility or compliance.

5.4 The Agency submitted that the DGFT portal presently lacks functionality for modification, correction, or cancellation of already-uploaded PSICs, so that whenever commercial amendments become necessary such as revision of buyer/importer details, split bills of lading, correction of seal numbers, or high seas sale transactions — fresh PSICs are generated while earlier entries continue to remain reflected in the system. It was contended that such technical limitations create duplication-like patterns in portal records, which may misleadingly inflate the apparent volume of certificates associated with particular dates, and that the portal system itself does not record granular operational data such as inspection timestamps, movement logs, draft processing stages, inspector activity records, or



synchronisation timelines, thereby rendering conclusions regarding alleged non-inspection drawn solely from portal-generated issuance data inherently incomplete and unreliable.

5.5 The Agency submitted that the burden of establishing any alleged violation rests entirely upon the Authority, that proceedings involving serious civil consequences such as suspension, cancellation, or blacklisting must necessarily be supported by direct and reliable evidence, and that the Addendum does not identify any specific shipment where the Authority possesses conclusive proof that inspection did not take place. It was also submitted that no field-level contradiction, GPS data, inspector denial, customs objection, or third-party complaint has been placed on record, that the questioned PSICs represent only a very small portion of the total inspections conducted during the relevant period, and that no complaint or dispute has ever been raised by any importer, exporter, customs authority, or stakeholder regarding the authenticity or quality of inspections carried out by the Agency.

5.6 The Agency further submitted that despite repeated requests, the complete relied-upon datasets, field records, analytical methodology, and supporting documents forming the basis of the allegations have not been supplied, that such non-disclosure materially prejudices the Agency in furnishing transaction-specific clarifications and is inconsistent with settled principles of natural justice, and requested that an effective opportunity of hearing be afforded prior to passing any order. The Agency also categorically affirmed that it has never been involved in any unethical practice and has at all times acted bonafidely and in accordance with applicable legal and procedural requirements, and requested that the Addendum be dropped in its entirety.

6. DISCUSSION 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 replies filed to the Show Cause Notice and the Addendum thereto, the oral submissions advanced during the personal hearings, the written submissions, the documents and inspection records placed on record, and all other material available during the course of the proceedings have been carefully examined and duly considered. The principal issue requiring determination is whether the Pre-Shipment Inspection Certificates (PSICs) issued by the Agency represent inspections actually carried out in accordance with the provisions of the Foreign Trade Policy, the Handbook of Procedures, 2023, and the conditions governing recognition of Pre-Shipment Inspection

Agencies, or whether the records maintained and furnished by the Agency disclose such operational impossibilities, inconsistencies and discrepancies as to render the certifications unreliable. The present proceedings are founded not upon assumptions or presumptions but upon a detailed analysis of the PSIC data, inspection records, deployment of registered inspection instruments, and other contemporaneous records available on file.

6.2 Upon such examination, it is found that the inspection records disclose multiple instances of Pre-Shipment Inspections purportedly conducted on the same day at geographically distant locations using the same registered inspection instrument and, in several cases, simultaneously by multiple inspectors. Such deployment is physically, temporally and logistically impossible and is wholly irreconcilable with the Agency's declared operational infrastructure. One of the most significant instances pertains to Instrument No. 100695, against which 125 Pre-Shipment Inspections are reflected as having been carried out on 14.06.2024 alone by 14 different inspectors across nine countries, namely Australia, Brazil, Chile, Japan, Netherlands, Panama, Peru, South Africa and the USA. Likewise, Instrument No. 100699 is shown as having been simultaneously deployed by four inspectors across Canada, Chile, Norway and the USA, while Instrument No. 100700 is reflected as having been simultaneously used by two inspectors in Chile and the Netherlands on the same date. The simultaneous deployment of a single DGFT-registered inspection instrument across such geographically incompatible locations cannot be reconciled with any genuine process of physical inspection, irrespective of the manner in which the data may subsequently have been uploaded on the DGFT portal. . 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.	PSICSMVIIIX334539A M25	IDAAYAT BASHA	United States of America	14.06.2024	100695
2.	PSICSMVIIIX336531A M25	AQUENATONTEOTO NIO REMAIH	Peru	14.06.2024	100695
3.	PSICSMVIIIX336706A M25	VIKAS SHARMA	South Africa	14.06.2024	100695
4.	PSICSMVIIIX336717A M25	EDGARDO WILLIAM	Australia	14.06.2024	100695
5.	PSICSMVIIIX336745A M25	EDGARDO WILLIAM	Australia	14.06.2024	100695

6.	PSICSMVIX337210A M25	Rajesh Arisella	Australia	14.06.20 24	100695
7.	PSICSMVIX337223A M25	Rajesh Arisella	Australia	14.06.20 24	100695
8.	PSICSMVIX339063A M25	Alex Cera	Japan	14.06.20 24	100695
9.	PSICSMVIX341701A M25	ARTHUR JACAB	Netherlan ds	14.06.20 24	100695
10.	PSICSMVIX341724A M25	ARTHUR JACAB	Netherlan ds	14.06.20 24	100695
11.	PSICSMVIX344604A M25	IDAAYAT BASHA NAZEER BASHA	United States of America	14.06.20 24	100695
12.	PSICSMVIX344636A M25	IDAAYAT BASHA NAZEER BASHA	United States of America	14.06.20 24	100695
13.	PSICSMVIX344901A M25	Kees van Saase	Netherlan ds	14.06.20 24	100695
14.	PSICSMVIX346876A M25	IDAAYAT BASHA NAZEER BASHA	United States of America	14.06.20 24	100695
15.	PSICSMVIX347721A M25	Rodrigues da Silva	Brazil	14.06.20 24	100695
16.	PSICSMVIX348634A M25	Kees van Saase	Netherlan ds	14.06.20 24	100695
17.	PSICSMVIX351452A M25	SANJAY SINGH NEGI	Panama	14.06.20 24	100695
18.	PSICSMVIX351753A M25	L. de Vries	Netherlan ds	14.06.20 24	100695
19.	PSICSMVIX352379A M25	H. Coort	Netherlan ds	14.06.20 24	100695
20.	PSICSMVIX354352A M25	ARTHUR JACAB	Netherlan ds	14.06.20 24	100695
21.	PSICSMVIX354505A M25	AQUENATONTEOTO NIO REMAIH	Peru	14.06.20 24	100695
22.	PSICSMVIX355082A M25	Rodrigues da Silva	Brazil	14.06.20 24	100695
23.	PSICSMVIX360166A M25	IDAAYAT BASHA	United States of America	14.06.20 24	100695
24.	PSICSMVIX362119A M25	Adam Sibhuya	Chile	14.06.20 24	100695
25.	PSICSMVIX367814A	AQUENATONTEOTO	Peru	14.06.20	100695

	M25	NIO REMAIH		24	
26.	PSICSMVIIX377680A M25	AQUENATONTEOTO NIO REMAIH	Peru	14.06.20 24	100695

6.3 The Agency's principal contention that a Pre-Shipment Inspection Certificate (PSIC) is not generated contemporaneously with the physical inspection and that the date reflected on the DGFT portal merely denotes the stage of issuance or uploading of the certificate is misconceived and proceeds on an erroneous understanding of the issue under adjudication. The present proceedings do not turn upon the point of time at which the PSIC was generated or uploaded on the DGFT portal, but upon the Agency's own declarations reflecting the use of the same registered inspection instrument in inspection records relating to different inspectors operating in geographically distant countries on the same date. Consequently, the distinction sought to be drawn between the date of inspection and the date of issuance or uploading of the PSIC is wholly irrelevant to the discrepancy under consideration and does not, in any manner, explain or negate the findings recorded in the Addendum.

6.4 The Agency has further contended that several of the impugned PSICs relate to countries covered under the DGFT "Safe Countries/Regions" framework notified vide Public Notice No. 46 (2015-2020) dated 14.01.2022, where submission of a PSIC is not mandatory, and that such certificates were issued only as a commercial requirement at the request of exporters, importers or shipping lines. This contention is also found to be untenable. Once the Agency voluntarily undertakes to issue a Pre-Shipment Inspection Certificate, irrespective of whether such certification is statutorily mandated or commercially sought, it assumes full responsibility for conducting the inspection in accordance with the standards prescribed under the Foreign Trade Policy and the Handbook of Procedures. The exemption available to exporters from designated safe countries cannot be construed as a licence to issue inspection certificates without carrying out the prescribed inspection. The voluntary nature of the certification does not dilute the Agency's statutory obligations, nor does it furnish any explanation for the operational impossibilities and inconsistencies evident from its own inspection records.

6.5 The Agency's contention that technical limitations of the DGFT portal, including the inability to cancel or modify previously issued certificates, may result in duplicate or revisionary entries is wholly irrelevant to the discrepancy under adjudication. The issue in the present proceedings does not arise from the numerical count of Pre-Shipment Inspections



(PSIs) or Pre-Shipment Inspection Certificates (PSICs), but from the repeated declaration of the same registered inspection instrument in inspection records pertaining to different inspectors operating in geographically distant countries on the same date. Consequently, the alleged inability of the DGFT portal to cancel or modify certificates has no bearing on the issue under consideration. The findings recorded in the Addendum are founded upon the Agency's own declarations reflecting the deployment of identified registered inspection instruments by different inspectors at geographically incompatible locations on the same date. If the Agency's plea of duplicate or revisionary entries were correct, it was incumbent upon it to identify the specific entries allegedly duplicated or revised and substantiate the same by producing contemporaneous records demonstrating the actual conduct of the inspections. No such material has been placed on record. In the absence of any cogent evidence establishing that the discrepancies are attributable to portal limitations rather than to the Agency's own inspection records, the explanation advanced remains a mere assertion devoid of evidentiary support and is accordingly rejected.

6.6 The Agency has further contended that the burden of establishing the alleged violations rests entirely upon the Adjudicating Authority and that the Addendum does not identify any particular shipment in respect of which it has been conclusively established that no inspection was carried out. It has also been urged that there is no GPS data, inspector denial, customs objection or third-party complaint questioning the inspections undertaken by the Agency. The said submissions are devoid of merit. The present proceedings are not founded upon isolated defects in individual consignments or complaints received from importers or customs authorities, but upon a systematic examination of the Agency's own inspection records and PSIC data available on the DGFT portal, which reveal repeated operational impossibilities in the deployment of registered inspection instruments across multiple geographically distant locations on the same date. During the course of the personal hearing, the relevant PSICs and the discrepancies forming the basis of the Addendum were specifically shown to and discussed with Proprietor of the Agency, who was afforded full opportunity to explain the same. The burden resting upon the Adjudicating Authority stands discharged by placing on record documentary evidence generated from the Agency's own declarations. Once such evidence establishes circumstances prima facie inconsistent with the conduct of genuine physical inspections, the evidentiary burden shifts to the Agency to furnish cogent contemporaneous records explaining the anomalies. No such evidence has been produced. The absence of GPS data, inspector denial, customs objections or third-party



complaints cannot, by itself, validate inspections which, on the Agency's own records, disclose physical and logistical impossibilities.

6.7 The Agency has also submitted that the questioned PSICs constitute only a small fraction of the total inspections undertaken during the relevant period. This submission is likewise devoid of merit. The discrepancies identified in the Addendum are merely illustrative instances, selected for the purpose of reference, and do not constitute an exhaustive catalogue of all discrepancies noticed in the Agency's inspection records. The issue under consideration is not the percentage of inspections found to be irregular, but whether the identified inspections, in respect of which specific discrepancies have been established, were in fact carried out in accordance with the prescribed regulatory framework. Even a limited number of established instances demonstrating the issuance of PSICs unsupported by genuine inspection is sufficient to undermine the credibility and integrity of the certification process and constitutes a breach of the obligations cast upon a recognised Pre-Shipment Inspection Agency. The seriousness of such lapses cannot be diluted merely because other inspections undertaken during the same period have not been made the subject matter of the present proceedings.

6.8 The Agency has further alleged that the complete datasets, analytical methodology and relied-upon documents forming the basis of the Addendum were not supplied, thereby causing prejudice and violating the principles of natural justice. This contention is found to be wholly untenable. The Addendum itself clearly identified the specific inspection instruments, the dates of inspection, the countries concerned, the inspectors involved and the corresponding PSIC data forming the basis of the allegations. Further, during the course of the personal hearing, the relevant PSICs forming the basis of the proceedings, together with the photographs of the inspections uploaded on the DGFT portal and the relevant inspection data pertaining thereto, were shown to Proprietor of the Agency, who was afforded full opportunity to examine the same and make his submissions thereon. The Agency was also granted adequate opportunities to file detailed replies and additional written submissions, all of which have been duly considered. The detailed replies filed by the Agency itself demonstrate that it had complete knowledge of the allegations levelled against it and of the material relied upon by the Adjudicating Authority, and was fully aware of the case it was required to meet. Significantly, despite being confronted with the relevant PSICs, inspection photographs and associated inspection data during the personal hearing, and despite being afforded repeated opportunities to explain the discrepancies, the Agency failed to produce

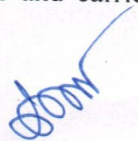


any inspector-wise deployment records, travel documents, inspection logs, contemporaneous photographs, videos or any other credible material establishing that the inspections in question were actually carried out in the manner declared. It is, therefore, evident that no prejudice has been caused to the Agency and that the requirements of the principles of natural justice have been scrupulously complied with throughout the adjudication proceedings.

6.9 It is further observed that the Agency has failed to produce any contemporaneous inspector deployment records, instrument custody registers, calibration certificates, 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.

6.10 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.

6.11 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.



6.12 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."

6.13 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.: 01/89/180/37/PSIA/AM-24/PC(A)

Dated: 17.07.2026

- i. The recognition granted to M/s SMV International Incorporation as a Pre-Shipment Inspection Agency is hereby cancelled with immediate effect.
- ii. The Bank Guarantee furnished by M/s SMV International Incorporation 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 SMV International Incorporation 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 SMV International Incorporation,
M-93, 3rd Floor, Saket,
New Delhi – 110017

Copy to:

1. 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