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. 01/89/180/40/PSIA/AM-24/PC(A) /406

Date of Order: 16.07.2026

Date of Issue: 16.07.2026

Name of the Agency: **M/s Baltic Testing India Private Limited**
5th Floor, Office Number F5-8A,
Pinnacle Business Park,
Mahakali Caves Road, Andheri (East),
Mumbai – 400 093.

Order in Original 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 Baltic Testing India Private Limited, 5th Floor, Office Number F5-8A, Pinnacle Business Park, Mahakali Caves Road, Andheri (East), Mumbai – 400 093 (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. 12/2015-2020 dated 09.06.2022 under the Foreign Trade (Development & Regulation) Act, 1992 (FTDR Act). 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. The original recognition carried a three-year validity period and was valid until 08.06.2025.

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 large number of PSICs covering a vast geographical range in a manner inconsistent with its available personnel and resources, thereby raising serious concerns about the legitimacy of these certifications. Analysis of the top inspection days revealed the following counts: 32 inspections on 24.04.2024 spanning 4 countries (United Kingdom, Germany, Belgium and Bulgaria), 31 inspections on 31.07.2024 spanning 2 countries (United Kingdom and Denmark), 29 inspections on 12.06.2024, 27 inspections on 15.03.2024, and 25 inspections on 28.03.2024. The pattern of inspections, particularly the use of a single registered instrument across multiple geographically distant locations on the same day, raised serious concerns about the physical feasibility and genuineness of the inspections reported.

4.3 On further examination of records, the following specific instance was observed where A total of 23 Pre-Shipment Inspection were conducted on 21.03.2024 using Instrument No. 10655 by four inspectors of the Agency operating from Germany and the United Kingdom. The issuance of PSICs by four different inspectors at geographically distant locations using the same instrument on the same day 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. 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.

4.4 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.

4.5 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 Foreign Trade (Development and Regulation) Act, 1992, a Show Cause Notice bearing No. 01/89/180/40/PSIA/AM-24/PC(A) dated 24.09.2024 was issued to the Agency, setting out the specific discrepancies, the relied-upon material, and the grounds on which it was proposed to impose a penalty, including suspension or cancellation of recognition, while affording the Agency a reasonable opportunity to submit its representation before the Adjudicating Authority. In furtherance of the principles of natural justice, a personal hearing was granted on 31.12.2024, which was duly attended by the authorised representatives of the Agency, who advanced their submissions on its behalf. Thereafter, consequent upon the transfer of the adjudicatory proceedings to a new Adjudicating Authority, an Addendum to the Show Cause Notice bearing No. 01/89/180/40/PSIA/AM-24/PC(A) dated 10.04.2026 was issued, and, in order to ensure continued compliance with the principles of natural justice, a fresh opportunity of personal hearing was afforded on 15.05.2026. The said hearing was also attended by the authorised representatives of the Agency.

5. <u>SUBMISSIONS OF THE AGENCY</u>

The Agency, vide its Reply to the Show Cause Notice dated 08.10.2024 and its comprehensive Reply to both the SCN and Addendum dated 14.05.2026, and through submissions made during the personal hearings held on 31.12.2024 and 15.05.2026, submitted the following before the Adjudicating Authority.

5.1 The Agency submitted that the entirety of the allegations in the Notices is founded on data extracted from the DGFT portal specifically, the count of PSICs appearing under certain dates and inferences drawn therefrom. No independent field verification, physical audit, or inquiry with exporters/importers of the specific consignments was conducted before the Notices were issued. It was contended that the allegations must be based on definite and specific allegations founded on demonstrable material, and not on assumptions or inferences. The Agency submitted that the DGFT portal records the upload/issuance date and not the date on which the physical inspection was conducted, as PSIC issuance is a multi-stage process involving actual physical inspection, collection and verification of photographic and video evidence, preparation of draft inspection report, internal review, compliance alignment, and final upload to the DGFT portal.

5.2 With respect to Instrument No. 10655 and the specific allegation in the Addendum concerning 21.03.2024, the Agency submitted that the premise of simultaneous multi-location deployment is factually incorrect. The Agency clarified that Instrument No. 10655 was the single Geiger counter registered with DGFT at the material time, and that it had submitted multiple applications to register additional instruments which were pending consideration or were not approved in time through no fault of the Agency. The Agency submitted that this regulatory constraint on DGFT's side is itself the reason why a single instrument ID appears across multiple PSIC records, and that all inspectors had actually used calibrated radiation detection instruments owned by the Baltic Control group the Agency's parent entity -the non-registration of which is acknowledged as an administrative gap attributable to the pendency of the instrument registration applications.

5.3 The Agency further submitted that the allegation of simultaneous multi-location activity on 21.03.2024 is factually incorrect. The Agency's internal review confirmed that all inspections conducted in Germany were performed by a single inspector, Mr. Krzysztof Ludwiczak, who remained at one site throughout the day, inspecting container after container sequentially at the same location, with no movement between distant locations and no requirement for simultaneous multi-site presence. Inspections in the United Kingdom were covered by Mr. Brett Faulkner, who conducted the UK inspections independently at the UK location. The Agency submitted that each inspector was therefore present at one location in their respective country, and that this represents a routine and entirely standard practice in the metal scrap inspection industry.

5.4 The Agency further submitted that upon internal review of the 21.03.2024 certificates, it identified that at least 7 of the total entries are confirmed system-generated duplicates arising from a technical malfunction in the DGFT portal itself, which erroneously generated multiple certificates under the same PSIC number (PSICBTIPLX295692AM25). Since the DGFT portal provides no mechanism to cancel or delete a generated certificate, the Agency had no option but to issue fresh certificates to replace the duplicates, further compounding the count. The Agency submitted that approximately 5 additional certificates on the same date may also have been affected by a similar technical issue. These duplicate entries are therefore being counted as separate inspections in the DGFT's statistical analysis when they relate to no additional physical inspection whatsoever.

5.5 The Agency submitted that all inspections cited in the SCN and Addendum including specifically the inspections of 21.03.2024 in Germany and the United Kingdom were conducted during the period when the original recognition vide Public Notice No. 12/2015-2020 dated 09.06.2022 was fully in force, which expressly and specifically included United Kingdom, Ireland, Denmark, Finland, Germany, Belgium, Bulgaria, Hungary, Italy, Luxembourg, Romania, Spain, The Netherlands, Poland, Sweden, Czech Republic, Latvia, Cyprus, Malta, Estonia, Croatia, Slovenia, France, Portugal, Greece, Slovakia, Austria, Lithuania, and United States of America/North America. The reduction in area of operation was effected only vide Public Notice No. 11/2024-25 dated 12.06.2024, which came into force after all inspections cited in the Notices had already been completed. There is therefore no basis for any allegation that any inspection was conducted outside the Company's approved operational area.

5.6 The Agency submitted that there is no evidence that any radioactive, hazardous, or contaminated material entered India as a consequence of its inspections, that no specific consignment has been identified as having been improperly cleared, and that the entire case rests on the premise that the process may have been deficient not that any actual harm resulted. The Agency further submitted on proportionality, noting that it has an unblemished compliance record since its recognition in June 2022, that discrepancies are attributable to structural limitations of the DGFT portal and regulatory delays in instrument registration processing, and that DGFT itself expanded the Agency's area of operation during the pendency of the original SCN, which is inconsistent with a finding of serious violation. The Agency prayed for the SCN proceedings to be dropped and additionally sought a direction that its renewal application be reconsidered on merits, as the rejection of renewal solely on grounds of pendency of the SCN effectively constituted a de facto suspension without the procedural safeguards required under Section 9(4) of the FTDR Act.

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 replies filed by the Agency to the Show Cause Notice and the Addendum thereto, the oral submissions advanced during the personal hearings, the documents and inspection records placed on record, and all other materials available during the course of the proceedings have been 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 and Handbook of Procedures, 2023, 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 examination and analysis of the PSIC data available on record, the inspection particulars furnished by the Agency, the deployment details of inspectors and DGFT-approved inspection instruments declared by the Agency itself, together with the contemporaneous inspection records forming part of the proceedings.

6.2 The Agency has contended that the allegations are founded solely upon data extracted from the DGFT portal without any independent field verification or physical audit. The contention is misconceived. The proceedings are not based merely upon statistical analysis of portal-generated data but upon the inspection particulars declared by the Agency itself, including the instrument serial numbers, inspection dates, inspectors and places of inspection reflected in the PSICs. These particulars constitute declarations made by the Agency under the PSIA framework and are material evidence for examining compliance with the Foreign Trade Policy and Handbook of Procedures..

6.3 Upon examination of the records, it is observed that Instrument No. 10655 is reflected against inspections purportedly conducted on 21.03.2024 by different inspectors in Germany and the United Kingdom. A single DGFT-approved inspection instrument cannot be physically deployed in two different countries on the same date. The Agency's own explanation confirms that inspectors in Germany and the United Kingdom actually utilised different radiation detection instruments belonging to its parent entity, Baltic Control, and not Instrument No. 10655. Consequently, the recording of Instrument No.10655 in the concerned PSICs does not represent the instrument actually deployed during inspection and therefore constitutes a material mis-declaration of the inspection particulars. One of the several specific instances of such inspections is set out hereunder:

PSIC Number	Inspector Name	Inspection Country	Inspection Date	Sr. No. of Instrument
PSICBTIPLX291723AM24	Brett Faulkner	United Kingdom	21/03/2024	10655
PSICBTIPLX296469AM25	Brett Faulkner	United Kingdom	21/03/2024	10655
PSICBTIPLX301086AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX307091AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX307332AM25	Leszek Lorbiecki	Germany	21/03/2024	10655
PSICBTIPLX308438AM25	Rafa?	Germany	21/03/2024	10655

	Wi?niowski*			
PSICBTIPLX309471AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX309479AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX309485AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX309527AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX309533AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX309548AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655
PSICBTIPLX309555AM25	Krzysztof Ludwiczak	Germany	21/03/2024	10655

6.4 The Agency's submission that Instrument No. 10655 was the only DGFT-registered Geiger Counter and that applications for registration of additional instruments were pending consideration, in fact, amounts to an acknowledgment that inspections were carried out using instruments other than the DGFT-approved instrument while the PSICs continued to declare Instrument No. 10655 as the inspection instrument. The Agency has thus itself admitted that the particulars recorded in the PSICs did not correctly reflect the instrument actually used for the inspection. Such misdeclaration cannot be treated as a mere procedural irregularity. Recognition under the PSIA framework is expressly subject to the condition that inspections are conducted using DGFT-approved and registered inspection instruments. If additional instruments had not yet been approved, the Agency was under a statutory obligation to confine its inspections to the recognised instrument or await registration of the additional instruments, and could not substitute unregistered instruments while declaring the registered instrument in the PSICs. The pendency of applications for registration of additional instruments neither authorises deviation from the prescribed regulatory framework nor validates the recording of incorrect particulars in statutory certificates issued under the Handbook of Procedures

6.5 The Agency has further contended that the inspections in Germany and the United Kingdom were independently conducted by different inspectors who remained at their respective locations throughout the day. This submission does not address the discrepancy identified in the proceedings. The allegation is not that a particular inspector travelled between different countries, but that the same DGFT-approved inspection instrument was declared as having been utilised for inspections conducted simultaneously in different jurisdictions. Independent deployment of inspectors cannot explain simultaneous deployment of one registered inspection instrument in multiple countries.

6.6 The Agency has further contended that the discrepancy is attributable to a technical malfunction of the DGFT portal, resulting in the duplicate generation of certain PSICs. This contention is found to be untenable. Even assuming, without admitting, that certain PSICs were duplicated due to a system-related issue, such circumstance does not address the principal discrepancy forming the subject matter of the present proceedings. The gravamen of the allegation is not the mere duplication or numerical count of PSICs generated on the DGFT portal, but the repeated declaration of Instrument No. 10655 in inspection records relating to different inspectors operating in different countries on the same date. The plea of portal malfunction, therefore, neither explains nor reconciles the incorrect declaration of the inspection instrument in the PSICs concerned, nor does it displace the evidentiary value of the inspection data forming the basis of the proceedings.

6.7 The submission that the inspections were conducted during the period when the Agency's area of operation validly included Germany and the United Kingdom has also been considered. The present proceedings do not allege that inspections were conducted outside the approved territorial jurisdiction of the Agency. The issue under examination relates exclusively to the correctness of the inspection particulars declared in the PSICs and the physical feasibility of deployment of the registered inspection instrument. Consequently, the subsequent reduction in the Agency's geographical area of operation is wholly irrelevant for determining the violations alleged in the present proceedings.

6.8 The Agency has further submitted that no radioactive or hazardous material entered India, that no importer complaint or customs objection has arisen, and that no actual prejudice has been demonstrated. The contention cannot be accepted. The PSIA framework is preventive in nature and is intended to ensure that metallic scrap imported into India is free from radioactive contamination, arms, ammunition, explosives and other hazardous material before shipment. The integrity and credibility of the inspection process constitute the foundation of the regulatory framework. Regulatory action under the Foreign Trade

(Development & Regulation) Act, 1992 does not depend upon proof of actual harm or occurrence of an adverse incident. Serious deficiencies affecting the authenticity and reliability of inspection records are by themselves sufficient to attract penal consequences.

6.9 The submissions relating to rejection of the Agency's renewal application and the consequential lapse of recognition are beyond the scope of the present adjudication. The issue before this Authority is confined to determination of the violations alleged in the Show Cause Notice and the Addendum. The legality of any administrative decision concerning renewal of recognition neither forms part of these proceedings nor has any bearing upon the Agency's liability for the contraventions established herein.

6.10 It is further observed that the Agency has failed to produce any contemporaneous inspector deployment records, instrument movement registers, equipment custody records, calibration logs, GPS records, inspection photographs or any other independent documentary evidence capable of demonstrating that Instrument No.10655 was actually deployed in the manner reflected in the inspection records. The burden to satisfactorily explain the discrepancies appearing in its own inspection records rested upon the Agency. Mere assertions unsupported by contemporaneous documentary evidence are insufficient to rebut the material inconsistencies established from the record.

6.11 The instrument serial number recorded in every PSIC constitutes a material declaration regarding the inspection actually undertaken. Recording an inspection instrument which was not in fact deployed, or declaring the same DGFT-approved instrument against inspections conducted simultaneously in geographically distinct jurisdictions, directly affects the authenticity, traceability and credibility of the inspection process and therefore constitutes a material mis-declaration within the meaning of Para 2.53(a) of the Handbook of Procedures, 2023.

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 duly served with the Show Cause Notice and the Addendum, was afforded adequate opportunities of personal hearing, and was permitted to file detailed written submissions, all of which have been carefully considered before arriving at the present findings. Despite such opportunities, the Agency has failed to produce any cogent or contemporaneous evidence capable of displacing the findings recorded herein.

6.13 The issuance of PSICs without actual physical inspection 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.

6.14 In view of the foregoing, the conduct of the Agency constitutes mis-declaration within the meaning of Para 2.53(a) of the HBP 2023, which provides that in case of any mis-declaration in a PSIC, the PSIA shall be liable for penal action under the FTDR Act, 1992, in addition to suspension/cancellation of recognition. The said conduct attracts penalty under Section 11(2) and Section 11(3) of the FTDR Act.

6.15 In view of the discussion above, I find that M/s Baltic Testing India Private Limited has contravened the provisions of the Foreign Trade (Development & Regulation) Act, 1992, the applicable Foreign Trade Policy, and the relevant provisions of the Handbook of Procedures 2023 and is accordingly liable for penal and regulatory action under the said Act.

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.: 01/89/180/40/PSIA/AM-24/PC(A) **Dated: 16.07.2026**

i. The recognition granted that M/s Baltic Testing India Private Limited as a Pre-Shipment Inspection Agency is hereby suspended with immediate effect.

ii. The Bank Guarantee furnished by that M/s Baltic Testing India Private Limited 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 Baltic Testing India Private Limited 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 Baltic Testing India Private Limited
5th Floor, Office Number F5-8A, Pinnacle Business Park,
Mahakali Caves Road, Andheri (East), Mumbai – 400 093.

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