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
*****

No. 01/89/180/32/PSIA/AM-24/PC(A)

Date of Order: 31.07.2026
Date of Issue: 31.07.2026

Name of the Agency: M/s SGNCO Green Resources Limited,
C-20, South City-1, Sector-41, Gurugram,
Haryana-122001, India

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 Order and a complete set of the evidence relied upon, as Annexure to the appeal.

2. Any person/party desirous of filing an appeal against this order shall deposit the penalty amount and produce proof of payment of 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 SGNCO Green Resources Limited, having its registered office at C-20, South City-1, Sector-41, Gurugram, Haryana-122001 (hereinafter referred to as the 'Agency' or the 'Noticee'), is a Pre-Shipment Inspection Agency (PSIA) recognized by the Directorate General of Foreign Trade (DGFT) vide Public Notice No. 48/2015-2020 dated 05.01.2023. The Agency was granted recognition as per Para 2.52 of the Handbook of Procedures (hereinafter referred to as 'HBP'), as amended from time to time, for conducting pre-shipment inspections of metallic scrap consignments intended for import into India and issuing Pre-Shipment Inspection Certificates (hereinafter referred to as 'PSICs') in connection therewith.

4.2 During the review of records for the period 1st January 2024 to 31st August 2024, it was observed that the Agency had issued an inordinately high volume of 31,654 Pre-Shipment Inspection Certificates, at an average of 130 inspections per day, using only 34 authorised inspection instruments across 34 authorised countries a volume and geographical spread inconsistent with the Agency's available personnel and resources. Specific scrutiny of the days reflecting the highest inspection counts revealed that on 30.05.2024 alone, 462 inspections were reported across 18 countries, and on 10.05.2024, 412 inspections were reported across 16 countries, conducted across multiple geographically distant locations within the same day. Upon further examination of the Agency's inspection records pursuant to the said Show Cause Notice, identical inspection instrument numbers, namely Instrument Nos. 165, 168 and 169, were found reflected against PSICs issued for inspections purportedly carried out in geographically distant countries on the same date.

4.3 On further examination of records, it was observed that multiple Pre-Shipment Inspection Certificates (PSICs) were issued on the same date against single registered inspection instruments by different inspectors of the Agency operating from geographically distant locations. The specific instances included Instrument No. 165, against which 14 Pre-Shipment Inspections were alleged to have been conducted by Mr. Amgad Yahya Ahmed Abdulaziz operating from the United Kingdom and Yemen on 25.04.2025; Instrument No. 168, against which 5 Pre-Shipment Inspections were alleged to have been conducted by Mr. Sefat Peda operating from the United Kingdom and the United States of America on

14.04.2025; and Instrument No. 169, against which 12 Pre-Shipment Inspections were alleged to have been conducted by Mr. Younes Elamri operating from Senegal, Ivory Coast, Guinea, Sierra Leone, Morocco and Gambia on 14.02.2023, and a further 37 Pre-Shipment Inspections by the same inspector operating from the same countries on 07.03.2023. The simultaneous deployment and use of each such single inspection instrument across multiple countries and geographically distant locations on the same date appears physically and logistically impracticable and raises serious concerns regarding the integrity, authenticity, traceability and actual utilisation of the inspection instruments purportedly used for carrying out the said inspections, creating a reasonable apprehension that the PSICs may have been issued in a routine or "table-based" manner without the conduct of the requisite physical inspections.

4.4 The facts and circumstances available on record, particularly the issuance of an inordinately high volume of Pre-Shipment Inspection Certificates and the issuance of multiple Pre-Shipment Inspection Certificates within a stipulated duration using a single instrument 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 Agency. These circumstances cast a reasonable doubt on the fairness and certainty of the operations carried out by the Agency and undermine the credibility of the certifications issued thereunder.

4.5 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.

4.6 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 to as the '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 Foreign Trade (Development and Regulation) Act, 1992 (FTDR Act), a Show Cause Notice bearing No. 01/89/180/32/PSIA/AM24/PC(A) dated 19.09.2024 was issued to the Noticee under Sections 9(4), 11(2), 11(3) and 13 of the FTDR Act read with Para 2.53(a) of the Handbook of Procedures (HBP), setting out the specific discrepancies and the relied-upon material, informing the Noticee of the grounds on which action, including imposition of penalty and suspension or cancellation of recognition, was proposed, and calling upon it to submit its representation within the prescribed time. The Agency submitted its reply to the Show Cause Notice and was afforded a personal hearing on 30.12.2024. Subsequently, owing to a change in the Adjudicating Authority, and in adherence to the principles of natural justice, an Addendum to the Show Cause Notice bearing No. 01/89/180/32/PSIA/AM-24/PC(A) dated 02.04.2026 was issued, setting out the additional material proposed to be relied upon and affording the Agency a fresh opportunity to respond. In furtherance of the principles of natural justice, a fresh personal hearing was conducted in person on 30.04.2026, which was attended by Shri Sandeep Garg (Manager) and Shri Amit Munjal (Advocate) on behalf of the Agency. During the course of the hearing, the details relating to the PSICs relied upon in the Addendum were shown to the representatives of the Agency and were subsequently shared with the Agency to enable it to furnish an effective response.

Thereafter, a further personal hearing was scheduled for 15.05.2026 to enable the Agency to make additional submissions. However, at the request of the Agency, the hearing was rescheduled to 19.05.2026. Despite having sought the adjournment, the Agency failed to avail itself of the opportunity and remained unrepresented on the rescheduled date. During the pendency of the proceedings, the Noticee also submitted a representation dated 19.05.2026 seeking recusal of the Adjudicating Authority. The said representation, upon due examination by the Competent Authority, was found to be devoid of merit and was accordingly rejected, whereupon the adjudication proceedings continued to be conducted by the Adjudicating Authority in accordance with law. Thereafter, the Agency filed an additional written submission dated 09.06.2026, furnishing instrument-wise responses to the observations contained in the Addendum to the Show Cause Notice.

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

The Agency, vide its replies to the Show Cause Notice and the Addendum to the Show Cause Notice, including its additional written submission dated 09.06.2026, made, inter alia, the following submissions before the Adjudicating Authority:

5.1 At the outset, the Agency contended that the Addendum dated 02.04.2026 is a mala fide attempt to reopen and supplant proceedings which had reached finality and were closed at the stage of adjudication, by introducing fresh events dated 25.04.2025 and 14.04.2025 occurring after the issuance of the original Show Cause Notice dated 19.09.2024 and submitted that the Addendum is vague, unsupported by evidence, and ought to be withdrawn.

5.2 With respect to Instrument No. 165, the Agency denied the allegation of 14 PSICs having been issued by Mr. Amgad Yahya Ahmed Abdulaziz in the United Kingdom and Yemen, and submitted that only 3 PSICs were in fact issued against the said instrument. It was submitted that the entry of Instrument No. 165 against PSIC No. SGNCOX479724AM26 was a typographical error, the instrument actually used being Instrument No. 168. It was further submitted that the underlying inspection request had inadvertently been received on the email address of one Mr. Sandeep Garg from an inspector of M/s Global Mines and Minerals FZE, and that the inspection was accordingly carried out by, and reflected in the records of, both SGNCO Green Resources Limited and its stated sister concern, Global Mines and Minerals FZE, resulting in an inadvertent dual/duplicate reflection of the same inspection.

5.3 With respect to Instrument No. 168, the Agency denied the allegation of 5 PSICs having been issued by Mr. Sefat Peda in the United Kingdom and the United States of America, and submitted that only 3 PSICs were in fact issued against the said instrument 2 from the United Kingdom and 1 from the United States of America on 14.04.2025 and that the recording of the instrument number and inspector's name as "168" against PSIC No. PSICSGNCOX493171AM26 was a typographical error, the correct instrument number being 080564, as reflected in the photographic evidence annexed by the Agency.

5.4 With respect to Instrument No. 169, the Agency denied the allegation of 12 PSICs on 14.02.2023 and 37 PSICs on 07.03.2023, and submitted that only 8 PSICs were in fact issued against the said instrument. It was submitted that on 14.02.2023, 3 PSICs were issued against 12 containers (one PSIC against 9 containers from Senegal, for which no tracking record was available on account of the shipping lines' data-retention policies, and one PSIC against 2 containers from Cote d'Ivoire), and that on 07.03.2023, 5 PSICs were issued against 37 containers, from Sierra Leone, Gambia and Cote d'Ivoire. The Agency contended that the concerned countries are geographically proximate and inspections therein are generally conducted manually, that container tracking records annexed by it demonstrate the time taken for container filling, and that the DGFT portal permits entry of only a single inspection date, resulting in the bona fide mention of 14.02.2023 and 07.03.2023, respectively, as the date of inspection notwithstanding that the underlying process may have spanned several days.

5.5 The Agency, in the course of the proceedings, also filed a representation dated 19.05.2026 seeking recusal of the Adjudicating Authority, alleging bias and conflict of interest without specifying further particulars, and contended that the matter ought to be assigned to another authority for adjudication.

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 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 As a preliminary objection, the Agency has contended that the Addendum dated 02.04.2026 is a mala fide attempt to reopen proceedings which had allegedly attained finality. The contention is devoid of merit and is rejected. The Addendum was issued consequent upon the change of the Adjudicating Authority, with the sole object of affording the Agency a fresh opportunity of personal hearing in compliance with the principles of natural justice. The observations contained therein arose from further examination of the Agency's own inspection records already available on record and did not constitute initiation of a fresh proceeding. The Addendum is, therefore, merely a continuation of the adjudication proceedings initiated vide the Show Cause Notice dated 19.09.2024 and cannot, by any stretch of interpretation, be regarded as reopening of concluded proceedings. The allegation of mala fides is accordingly rejected.

6.3 Upon examination of the records, it is observed that the Agency issued an inordinate number of 31,654 Pre-Shipment Inspection Certificates during the period 01.01.2024 to 31.08.2024, averaging approximately 130 inspections per day, using only 34 DGFT-approved inspection instruments across 34 authorised countries. The records further reveal that, on several occasions, numerous inspections were purportedly conducted across multiple countries on the same date, a volume and pattern wholly disproportionate to any reasonable assessment of the

Agency's operational capacity and raising serious concerns regarding the authenticity and credibility of the inspection process.

6.4 It is further observed that the inspection particulars declared by the Agency repeatedly reflect deployment of the same DGFT-approved inspection instrument on the same date across geographically distant locations, thereby rendering such deployment physically and operationally implausible. One of the several illustrative instances evidencing such operational infeasibility is reproduced below:

Sl. No.	PSIC Number	Inspector Name	Inspection Country	Inspection Date	Sr. No. of Instrument
1.	PSICSGNCOX479724AM26	AMGAD YAHYA AHMED ABDULAZIZ	United Kingdom	25-04-2025	165
2.	PSICSGNCOX495317AM26	AMGAD YAHYA AHMED ABDULAZIZ	Yemen	25-04-2025	165
3.	PSICSGNCOX505549AM26	AMGAD YAHYA AHMED ABDULAZIZ	Yemen	25-04-2025	165

6.5 It is also pertinent to observe that the above instances are merely illustrative and have been cited only to demonstrate the nature of discrepancies noticed during examination of the Agency's records. They do not constitute an exhaustive compilation of all inconsistencies detected. The proceedings are founded upon the overall pattern emerging from the Agency's own records, which disclose repeated operational anomalies and inconsistencies affecting the credibility of the inspections and the consequent PSICs.

6.6 The Agency has disputed the number of inspections attributed to Instrument Nos. 165, 168 and 169, contending that only a limited number of PSIs were actually conducted and attributing the discrepancy to typographical or clerical errors. The said contention is not acceptable. Before examining the merits of the Agency's explanation, it is pertinent to note that, vide email dated 15.04.2026, the Agency was expressly informed that the expression "PSICs" appearing in the tabular data contained in Paragraph 4 of the Addendum to the Show Cause Notice was to be read as "PSIs (Pre-Shipment Inspections)", while all other contents of the Addendum remained unchanged. The Agency was, therefore, fully apprised of the said clarification well in advance of the personal hearing and was afforded adequate opportunity to furnish its response on that basis. The details relied upon in the Addendum were also shown to the representatives of the Agency during the personal hearing and were thereafter shared with the Agency to enable it to furnish a comprehensive reply. Consequently, no prejudice whatsoever can be said to have been caused to the Agency by the use of the expression "PSICs" in the tabular data, and any plea founded thereon is devoid of merit. The inspection instrument serial number is not an incidental or inconsequential entry but constitutes an essential declaration made by the Agency itself regarding the specific DGFT-approved inspection instrument utilised for conducting the inspection. Such particulars are required to be declared with due diligence and accuracy, as they form the basis for establishing compliance with the conditions governing recognition as a Pre-Shipment Inspection Agency. A bare plea of typographical or clerical error, unsupported by any contemporaneous inspection worksheets, calibration or deployment records, equipment registers, internal correspondence, revised records or any other independent documentary evidence demonstrating that the declarations made on the DGFT portal were erroneous, cannot displace or override the evidentiary value of the Agency's own declarations. More importantly, the gravamen of the present proceedings does not rest upon the precise numerical count of PSIs or PSICs attributed to any particular inspection instrument. The central issue is the repeated deployment of the same DGFT-approved inspection instrument for inspections purportedly conducted on the same date across geographically distant jurisdictions, rendering its simultaneous use physically and operationally impossible.

6.7 With respect to Instrument No. 165, the Agency has sought to explain the discrepancy by contending that the underlying inspection pertained to its stated sister concern, M/s Global Mines and Minerals FZE, and that the duplication occurred on account of inadvertent reflection in the records of both entities. The explanation is untenable. Recognition under Para 2.52 of the Handbook of Procedures is granted to a distinct legal entity, and the inspection instruments, inspectors, inspection records and operational infrastructure of one recognised Pre-

Shipment Inspection Agency cannot be treated as interchangeable with those of another entity merely because the entities are related or because an inspection request was routed through a common individual. Such commingling of inspection records between two separately recognised PSIAs, rather than explaining the discrepancy, itself raises serious concerns regarding the integrity, traceability and reliability of the inspection mechanism adopted by the Agency.

6.8 The Agency has further relied upon container tracking records and has contended that, in respect of Instrument No. 169, inspections were conducted over multiple days, but since the DGFT portal permits entry of only a single inspection date, the entire inspection process came to be reflected against one date. This explanation is also not acceptable. Container tracking records merely establish the movement of containers and shipping logistics; they neither establish the actual date and place of physical inspection nor demonstrate the deployment of the DGFT-approved inspection instrument on the dates claimed. such explanation does not reconcile the repeated declaration of the same inspection instrument against inspections purportedly undertaken across geographically distinct countries including Senegal, Côte d'Ivoire, Guinea, Sierra Leone, Morocco and Gambia on the same declared inspection date.

6.9 The Agency has further submitted that the concerned countries are geographically proximate and that inspections therein are generally conducted manually. The submission is unsupported by any contemporaneous evidence. No inspector deployment records, travel records, equipment movement registers, inspection logs or any other independent documentary evidence has been produced demonstrating the actual physical deployment of the inspection instrument in the manner asserted. Mere reliance upon geographical proximity cannot explain the operational impossibilities reflected in the Agency's own inspection records.

6.10 The submission that incorrect recording or repetition of inspection instrument numbers constitutes only a clerical irregularity and not a material mis-declaration is wholly untenable. The inspection instrument serial number is a mandatory and substantive declaration forming part of every PSIC and directly relates to the DGFT-approved equipment actually utilised during inspection. Recording an instrument which was not in fact deployed, or repeatedly reflecting the same instrument against inspections conducted at geographically incompatible locations, directly undermines the integrity, traceability and credibility of the inspection process and constitutes a material mis-declaration within the meaning of Para 2.53(a) of the Handbook of Procedures, 2023.

6.11 As regards the representation dated 19.05.2026 seeking recusal of the Adjudicating Authority, The representation was duly examined and placed before the Competent Authority for consideration; upon careful perusal thereof, together with the records of the proceedings, it is observed that the representation is confined to general and unsubstantiated allegations of bias, unsupported by any cogent material capable of giving rise to a reasonable apprehension of prejudice or real likelihood of bias in the mind of a reasonable person, and accordingly, no factual or legal basis warranting recusal of the Adjudicating Authority or reassignment of the matter to any other authority is found to exist; the request for recusal is, therefore, devoid of merit and is rejected, for reasons substantially similar to those recorded in the adjudication proceedings concerning M/s Global Mines and Minerals FZE

6.12 It is observed that the principles of natural justice have been scrupulously complied with throughout the adjudication proceedings. The Agency was duly served with the Show Cause Notice as well as the Addendum thereto and was fully apprised of the allegations and the material relied upon in support thereof. The Agency submitted its written replies and was afforded multiple opportunities of personal hearing before the Adjudicating Authority. A personal hearing was initially held on 30.12.2024. Thereafter, consequent upon the issuance of the Addendum and the change in the Adjudicating Authority, a fresh personal hearing was conducted in person on 30.04.2026. During the course of the said hearing, the detailed PSIC data and other particulars relied upon in the Addendum were shown to the representatives of the Agency and were subsequently shared with the Agency to facilitate an effective response. A further opportunity of personal hearing was also afforded on 15.05.2026, which, at the request of the Agency, was rescheduled to 19.05.2026. Despite having sought the adjournment, the Agency failed to avail itself of the said opportunity. The Agency was further permitted to file additional written submissions, including its instrument-wise response dated 09.06.2026, all of which have been duly taken on record and carefully considered. The Agency was, therefore, afforded a full, fair and effective opportunity to present its case and rebut the allegations levelled against it. However, despite the ample opportunities extended and the disclosure of the material relied upon, the

Agency has failed to produce any cogent, contemporaneous or independent documentary evidence capable of satisfactorily explaining the discrepancies identified in its inspection records or of displacing the findings recorded in the present proceedings

6.13 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.

6.14 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."

6.15 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. 01/89/180/32/PSIA/AM-24/PC(A) **Dated: 31.07.2026**

i. The recognition granted to M/s SGNCO Green Resources Limited as a Pre-Shipment Inspection Agency is hereby cancelled with immediate effect.

ii. The Bank Guarantee furnished by M/s SGNCO Green Resources Limited at the time of its recognition/renewal as a Pre-Shipment Inspection Agency, is hereby forfeited in its entirety in view of the established violations of the conditions governing such recognition and the statutory obligations prescribed under the applicable Foreign Trade Policy and the relevant provisions of the Handbook of Procedures.

iii. A penalty of ₹10,00,000/- (Rupees Ten Lakhs only) is hereby imposed upon M/s SGNCO Green Resources Limited under Section 11 of the FTDR Act, 1992, for the violations established herein.

(Rakesh Kumar)
Additional Director General of Foreign Trade

To:

M/s SGNCO Green Resources Limited, C-20, South City-1, Sector-41, Gurugram, Haryana-122001

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