



GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF COMMERCE
OFFICE OF THE ADDITIONAL DIRECTOR GENERAL OF FOREIGN TRADE
(CLA) A- WING, INDRAPRASTHA BHAWAN, I.P. ESTATE, NEW DELHI
Email id: - cladelhi-dgft@nic.in; Phone no.: - 011-23379115 and Fax: - 011-23379114

Appeal File No.: -DLIECAAPPEAL00002720-2727 & 2729-2738AM26

1791
23/2/2025
Date of Order: - 20.2.2025

Name of the Appellant: -

M/s. Haley Industries Private Limited,
2nd Floor of Shiv Complex, 383, Street No.11,
Rajendra Nagar, Dehradun, Uttarakhand – 248 001.

IEC No.: -

AAECH8772P

Order Appealed Against: -

Eighteen Orders-in-Original bearing number: -

- (i) LDAECAAPPLY00000382AM26 Dated 16.10.2025
- (ii) LDAECAAPPLY00000367AM26 Dated 16.10.2025
- (iii) LDAECAAPPLY00000378AM26 Dated 16.10.2025
- (iv) LDAECAAPPLY00000381AM26 Dated 16.10.2025
- (v) LDAECAAPPLY00000380AM26 Dated 16.10.2025
- (vi) LDAECAAPPLY00000377AM26 Dated 16.10.2025
- (vii) LDAECAAPPLY00000376AM26 Dated 16.10.2025
- (viii) LDAECAAPPLY00000369AM26 Dated 16.10.2025
- (ix) LDAECAAPPLY00000371AM26 Dated 16.10.2025
- (x) LDAECAAPPLY00000372AM26 Dated 16.10.2025
- (xi) LDAECAAPPLY00000370AM26 Dated 16.10.2025
- (xii) LDAECAAPPLY00000368AM26 Dated 16.10.2025
- (xiii) LDAECAAPPLY00000366AM26 Dated 16.10.2025
- (xiv) LDAECAAPPLY00000364AM26 Dated 16.10.2025
- (xv) LDAECAAPPLY00000374AM26 Dated 16.10.2025
- (xvi) LDAECAAPPLY00000379AM26 Dated 16.10.2025
- (xvii) LDAECAAPPLY00000375AM26 Dated 16.10.2025
- (xviii) LDAECAAPPLY00000373AM26 Dated 16.10.2025

All Issued by Joint DGFT, at the Regional Authority, Ludhiana.

Order-in-Appeal passed by: -

Shri A.B. Menon
Appellate Authority &

Zonal Additional DGFT (CLA),
New Delhi.

ORDER-IN-APPEAL

M/s. Haley Industries Private Limited{here-in-after referred to as, the 'appellant'}, having IEC no. AAECH8772P, filed eighteen appeals dated 12/ 13/ 14.11.2025 under Section 15 of the Foreign Trade (Development & Regulation) Act, 1992, {hereinafter referred to as, the 'FT (D&R) Act, 1992'} as amended, before the Appellate Authority, challenging the aforementioned Order-in-Originals{hereinafter referred to as the 'impugned Orders'}, all dated 16.10.2025, issued by the Joint Director General of Foreign Trade {for short, 'Joint DGFT'} at the Regional Authority, Ludhiana {for short, 'RA, Ludhiana'}.

REMEDY AGAINST ORDER-IN-APPEAL

02. Any person/party aggrieved by this Order-in-Appeal may file a Review Application U/s.16 of the FT (D&R) Act, 1992, as amended, before the Director General of Foreign Trade {for short, the 'DGFT'}, Vanijya Bhawan, Akbar Road, New Delhi.

BRIEF FACTS

03. The appellant applied for and obtained 18 Advance Authorizations under the FTP, 2023, from RA, Ludhiana, during the period 01.02.2025 to 17.07.2025, for the import of prescribed items such as, watermelon seeds/muskmelon seeds and walnuts etc. with respective CIF values, subject to fulfilment of an obligation to export the listed items such as malted milk food and walnut kernels etc. with their respective FOB values.

The details of the said AAs are listed in the tabular form below: -

SR.N O.	APPEAL FileNumber	Authorisatio n Number	Authorization Date	FOBValueUSD	CIFValueUSD	Exportite m descriptio n	Importitem description
1	30AX04000152AM26	3011007146	2025-06-09	843445.330	551274.820	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
2	30AX04000149AM26	3011007147	2025-06-10	843445.330	551274.820	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
3	30AX04000151AM26	3011007148	2025-06-10	843445.330	551274.820	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
4	30AX04000171AM26	3011007173	2025-06-13	3527336.860	576261.570	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
5	30AX04000170AM26	3011007174	2025-06-13	3527336.860	576261.570	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
6	30AX04000187AM26	3011007203	2025-06-18	3527336.860	576261.600	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
7	30AX04000186AM26	3011007204	2025-06-18	3527336.860	576261.600	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
8	30AX04000242AM26	3011007344	2025-07-11	680337.270	579938.390	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
9	30AX04000245AM26	3011007347	2025-07-11	680337.270	579938.390	MaltedMilkFood	WatermelonSeeds/ Muskmelon Seeds
10	30AX04000216AM26	3011007289	2025-07-04	169230.620	145800.000	WalnutKernels (ChandlerVareity)	Walnutin Shell (ChandlerVariety)
11	30AX04000218AM26	3011007290	2025-07-04	1784.650	1521.770	WalnutKernels (ChandlerVareity)	Walnut in Shell (ChandlerVariety)
12	30AX04000230AM26	3011007318	2025-07-08	316641.360	270000.000	WalnutKernels (ChandlerVareity)	Walnut in Shell (ChandlerVariety)

						)	
13	30AX04000229AM26	3011007319	2025-07-08	316641.360	270000.000	WalnutKernels (ChandlerVareity)	Walnut in Shell (ChandlerVariety)
14	30AX04000253AM26	3011007360	2025-07-14	285072.070	243000.000	WalnutKernels (ChandlerVareity)	Walnut in Shell (ChandlerVariety)
15	30AX04000252AM26	3011007361	2025-07-14	285072.070	243000.000	WalnutKernels (ChandlerVareity)	Walnut in Shell (ChandlerVariety)
16	30AX04000267AM26	3011007382	2025-07-17	285072.070	243000.000	WalnutKernels (ChandlerVareity)	Walnut in Shell (ChandlerVariety)
17	30AX04000268AM26	3011007383	2025-07-17	285072.070	243000.000	WalnutKernels (ChandlerVareity)	WalnutinShell (Chandler Variety)
18	30AX04000507AM25	3011006294	2025-01-02	131851.07	112721.27	LeatherfromHideof Cow / Buffalo (Finished / Suede / Nubuck)	Asperimport item list

04. RA, Ludhiana, initiated proceedings after conducting an inspection on 05.08.2025 which revealed the appellant's non-existence at its declared 'Jalandhar' address in IEC. Consequently, a SCN dated 06.08.2025, providing a Personal Hearing {PH} opportunity to the appellant was issued, but to no avail. Thus, the appellant's IEC was placed under the Denied Entity List {DEL} on 18.08.2025.

05. A second inspection was conducted at the appellant's 'Mohali' address on 16.09.2025 wherein a cabin was found in a building with the appellant company's name plate and a few furniture but neither that cabin was opened nor was any of the appellant's employee present there. On being enquired, a woman, namely Ms. Karanjeet Singh (employee of the building's owner), had no knowledge about the existence of the appellant company.

06. More so, the appellant challenged the *bona-fide* procedures of RA, Ludhiana by filing a WP(C) numbered 28414/2025 dated 19.09.2025 before the Hon'ble Punjab and Haryana High Court at Chandigarh. However, the Hon'ble High Court dismissed the same *vide* Order dated 22.09.2025, thereby directing the appellant to approach RA, Ludhiana on 24.09.2025 and the

RA, Ludhiana to pass a Speaking Order on either cancellation or restoration of all the disputed licenses within a span of fifteen days.

07. As per the Hon'ble Court's verdict, the appellant approached RA, Ludhiana on 24.09.2025 without a complete set of documents and supporting written documents evidencing their existence at Jalandhar. Thus, the appellant sought several PH opportunities for the submission of requisite documentary evidences proving their existence at Jalandhar. Accordingly, sufficient PH opportunities were granted to the appellant on 29.09.2025, 01.10.2025, 06.10.2025, and 08.10.2025, with a direction that both the Partners of the appellant company be present with all the prescribed documents. However, only one of the Partners, namely Shri Sandeep Jain, attended the hearing while another Partner, namely Shri Ishaq Ali, was absent. He failed to furnish any written documentary evidence against their claim of existence at Jalandhar address, and stated to have filed all the requisite documents *via* email dated 01.10.2025, which needs to get examined.

08. Based on the documents submitted by the appellant *via* an email dated 01.10.2025, it was concluded that the appellant company has failed to prove its existence at 15, Leather Complex, Jalandhar, as no documentary / written evidence was provided.

09. Right after being aware of the inspection conducted at the Jalandhar premises on 05.08.2025, the appellant company initiated amendments in its IEC's addresses through different RAs of the DGFT. When questioned as to why the SCNs dispatched by RA, Ludhiana, were returned undelivered from 7 out of the 8 addresses given on its IEC, the appellant failed to provide any satisfactory explanation and instead alleged a lacuna on the part of India Post. Moreover, most of the documents produced by the appellant *via* the above said email were found to be recently executed.

10. The appellant company again provided contradictory statements regarding *the presence of Ms. Karanjeet during an inspection conducted at its Mohali premises, initially stating that she was their employee* but subsequently denying this when proof of her employment was sought. The appellant ultimately failed to substantiate its claim of operational existence at 15, Leather Complex, Jalandhar.

11. Subsequently, a third inspection was conducted on 15.10.2025 at the appellant's registered office at 'Dwarka Mor, New Delhi' wherein three staff members, namely Ms. Varsha

(Accountant), Ms. Priya (Accountant), and Ms. Muskan (Backend), were met, who stated that Manager Shri Lalit Kumar Babu Lal Tater was on leave. No staff ID cards or attendance records were presented, as they claimed to be new employees who mark attendance monthly on a sheet, which was also not available. However, they provided some documents. The appellant's factory at 'Mayapuri Industrial Area, New Delhi' was being used as a go-down without any machinery, manufacturing activity, employees, attendance records, or office/factory environment.

12. A fourth inspection, scheduled for the appellant's address at 'Basai Darapur, New Delhi', could not be conducted as it was not a registered office / branch and was not mentioned in the appellant's IEC. Thus, a fifth inspection was conducted at the appellant's address in 'Muzaffar Nagar, Uttar Pradesh' on 10.10.2025, which revealed that local residents were unaware of the company. Thus, a phone call was made to the appellant's Director, namely Shri Sandeep Jain, who confirmed the absence of any factory at that location.

13. Complying with the Hon'ble Court's Order dated 22.09.2025, the Joint DGFT at RA, Ludhiana, acting as Adjudicating Authority, deemed it inappropriate to restore the appellant's licenses, thus, cancelled all the 18 licenses vide issuing 18 Order-in-Originals dated 16.10.2025.

14. A sixth inspection was conducted at the appellant's address in 'Dehradun, Uttarakhand' on 10.11.2025, wherein the inspection team met an authorized signatory, Shri Sushant, who provided some documents, and the appellant company was found to be in existence.

GROUND OF APPEAL & PRAYER

15. Aggrieved by the stand so taken, the appellant filed 18 appeals dated 12 /13 /14.11.2025, U/s.15 of the FT (D&R) Act, 1992, as amended, challenging the respective Adjudication Orders dated 16.10.2025.

The appeal has been filed on the grounds as mentioned herein below: -

15.1 The impugned Order suffers from a complete absence of reasoning and fails to reflect application of mind. Section 9(4) of the FT (D&R) Act, 1992 expressly provides that cancellation of an Authorization can be effected only subject to such conditions as may be prescribed, which are embodied in Rule 10 of the Foreign Trade (Regulation) Rules, 1993. The Adjudicating Authority failed to demonstrate which of the exhaustive

conditions specified under Rule 10 was satisfied to justify the cancellation. It is no longer *res integra* that the jurisdiction of the Adjudicating Authority is purely statutory, and its powers must be strictly traced to and exercised within the four corners of the enabling legislation. The appellant contends that the Order is *ultra vires* the parent statute, devoid of jurisdiction, and illegal, relying upon the judgment of the Hon'ble High Court of Madras in *Daimler India Commercial Vehicles Pvt. Ltd. vs. Additional Director General of Foreign Trade* (2025) 33 Centax 203 (Mad.).

15.2 The Adjudicating Authority has completely overlooked the appellant's Representation dated 01.10.2025, the registered lease deed dated 05.08.2025, and the DGFT's acknowledgement emails dated 05.08.2025 and 14.08.2025, which confirmed the change of the appellant's IEC address to Plot No. F-426, 2nd Floor, Cabin No. 3, Seat No. 11, Industrial Area, Phase-88, Mohali, Pin Code 160055, prior to the issuance of the SCN dated 06.08.2025. At the time of the SCN's issuance, the Jalandhar premises was no longer the appellant's registered office. Despite this, the matter proceeded on the erroneous assumption that the Jalandhar premises remained operational, constituting perverse fact-finding.

15.3 The inspection conducted on 05.08.2025 at Jalandhar recorded 'non-existence' but disregarded the appellant's shift to Mohali. The appellant operates through three functional offices at Dehradun, Mohali, and Delhi. Maintaining a large on-site staff at every location is neither commercially necessary nor indicative of business genuineness. The appellant is engaged in lawful trading and merchant exports, with manufacturing operations undertaken through declared supporting manufacturers as recognized under Paragraph 11.59 of the FTP, 2023. The inspection on 16.09.2025 at Mohali noted a locked cabin but failed to consider the office's recent establishment under a registered lease dated 05.08.2025, the duly notified shift from Jalandhar to Mohali reflected in IEC records, and the appellant's trader-exporter model, which does not necessitate significant manpower presence on the specific dates of DGFT inspection.

15.4 The Adjudicating Authority erroneously cancelled the Authorizations on the ground of 'no machinery', overlooking the appellant's endorsements and agreements with supporting manufacturers, namely Ajaccia Foods Private Limited, Delhi; Vinayak Overseas, Central Delhi; and Mahalaxmi Malt Products Pvt. Ltd., Haryana. The

impugned Order retrospectively affected exports of Watermelon Seeds (perishable goods) made on 05.07.2025, and imports scheduled for arrival on 03.09.2025 and 09.09.2025 (under Bill of Entry numbers 4014331 and 4015826 dated 21.08.2025), which are now detained at Chennai Port. This violates Paragraph 2.14 of the FTP 2023, which mandates prospective application of the DEL. Administrative sanctions cannot prejudice vested rights, particularly when transactions have already been set in motion.

15.5 The mere allegation of non-existence at the erstwhile Jalandhar address does not justify cancellation of valid Advance Authorizations or inclusion in the DEL. There is no allegation of misuse, diversion of imported goods, or non-fulfillment of Export Obligation. Any penalty imposed must be proportionate and causally connected to a proven violation. The Adjudicating Authority's failure to establish a nexus between the alleged irregularity and the severe penal action renders the impugned Order disproportionate, arbitrary, and violative of settled principles of administrative law.

15.6 Furthermore, the Adjudicating Authority unilaterally amended the Advance Authorizations by reducing the permissible import quantity of Watermelon Seeds to zero without rational basis. It proceeded to cancel the Authorizations without justifying why they were not amended earlier. The DEL was arbitrarily re-imposed on 28.08.2025 without issuing a fresh notice, affording a hearing, or providing a speaking order, thereby violating principles of natural justice.

16. The appellant has sought an interim relief by way of a stay on the operation of impugned Orders, provisional release / clearance of consignments at Chennai Port under supervision and restoration of the quantity and value which were unilaterally amended to zero, and keep in abeyance the DEL effect on the IEC pending appeal. The appellant's main prayer seeks to set aside the impugned Order dated 16.10.2025, restore all 18 Advance Authorizations, direct removal of IEC from the DEL, and permit immediate clearance of consignments currently lying at Chennai Port under valid Authorizations.

RECORD OF PERSONAL HEARINGS&APPELLATE PROCEEDINGS

17. The Appellate Authority granted the appellant firm an opportunity of being heard *in-person* on 22.12.2025, which was attended by its authorized representative, namely Shri Mritunjay. During this hearing, Shri Mritunjay was specifically advised to submit the following

documents: the copy of rental agreement along with rent paid and TDS against each premises (supported by bank account statements to highlight entries); details of employees at each premises, along with their offer letter, job description, and amount/mode of salary paid; details of plant and machinery acquired along with installation certificates/proof and mode of payment; details of electricity bills and payments at all premises; a short note on activities to be conducted for which the Advance Authorization was applied; and details of duties paid against each Advance Authorization.

18. A second PH scheduled for **08.01.2026** was attended by the appellant firm's authorized representative, namely Shri Mritunjay. During the course of hearing, he was advised to produce the additional documents such as, audit report, balance sheet, bank statement till **31.12.2025**, cash book, profit and loss account, a chart of property details giving the size of each premises along with the date of hiring of such premises, details of supporting manufacturers, formulation as per SION and the percentage extract of walnuts in shell, proof of under protest duty-paid to DRI, and a copy of the panchnama of the inspection conducted by DRI. The required documents were submitted by the appellant.

19. A third PH scheduled for **17.02.2026** was attended by the appellant firm's Director Shri Sandeep Jain along with three other representatives. During this hearing, they asserted that the DRI is investigating against one AA no. **3011007318** dated **08.07.2025** **obtained for import of Walnut-in-Shell** and they had paid the Customs Duty under protest for the containers imported and cleared against above AA and rest of the consignments against the Authorization were cleared on the basis of bank guarantee submitted to the Customs Authorities. They also stated that they had already made partial imports and exports against seven more Authorizations before the cancellation of the Authorization issued details were submitted by the authorized representatives *vide* letter dated **17.02.2026**, seeking removal of their IEC from DEL and restoration of all the 18 Advance Authorizations.

They also informed that they do not have manufacturing unit for processing the watermelon seeds and same is processed through their supporting manufacturer as mentioned in the advance authorisations. For walnut in shell processing, they demonstrated the process of obtaining walnut kernel from the walnut in shell by the use of hammer.

Information received from the DRI: -

20. The DRI letter dated **14.10.2025** stated that based on an investigation, scrutiny of import data, and field verification, it was revealed that the appellant had obtained Advance

Authorization number **3011007318** dated **08.07.2025**, with a CIF value of **INR 2,36,65,500/-**, for the import of **90 MT** of 'in-shell walnuts' (Chandler variety) against an obligation to export 'walnut kernels'. The said license was registered at INMAAI (Chennai) and imports were effected through Mundra and Nhava Sheva Ports. The appellant had already imported **75.6 MT** of 'in-shell walnuts' through four Bills of Entry: number **3520812** dated **26.07.2025**, number **3520809** dated **26.07.2025**, number **3739651** dated **07.08.2025**, and number **3735660** dated **07.08.2025**. A search was conducted on **16.08.2025** at the appellant's secret/undeclared godown in Mayapuri Industrial Area, New Delhi, which led to the seizure of **37.6 MT** of 'in-shell walnuts' pertaining to Bills of Entry No. **3739651** and **3735960**. Investigations confirmed that none of the declared factory premises were operational for manufacturing or shelling. Further, the appellant admitted to having diverted the duty-free imported goods to the domestic market and paid applicable duties of **INR 91,49,622/-** for imports under Bills of Entry No. **3520812** and **3520809** and **INR 25,00,000/-** for imports under Bill of Entry No. **3730651**.

21. The DRI further reported that the appellant had also imported approximately **900 MT** of 'watermelon seeds' under three additional Advance Authorizations: number **3011007146** dated **09.06.2025**, number **3011007147** dated **10.06.2025**, and number **3011007148** dated **10.06.2025**, with the declared end product as 'Malted Milk Food'. The premises listed for these authorizations were identical to those found non-functional in the walnut case. Neither any facility for processing or manufacturing watermelon seeds into the value-added export product was found, nor had corresponding exports realization been reported, indicating a high probability of similar misuse. The statement of Director, Shri Sandeep Jain, recorded under Section 108 of the Customs Act, 1962, on **16-17.08.2025**, further corroborated the diversion. Shri Sandeep Jain, via email dated **19.09.2025**, asserted to have filed an application for amendment of supporting manufacturers and addresses, which the DRI noted appeared to be an afterthought following the investigation, as the imports had been made prior to approval of such amendments. It was concluded that the appellant misused the Advance Authorization Scheme by importing duty-free goods and diverting them into the domestic market instead of utilizing them for the declared export production, thereby violating the provisions of the FT (D&R) Act, 1992, and FTP, 2023, and causing a loss to customs revenue. Thus, the DRI requested that the appellant's pending application for the inclusion of any other premises for the

use of 'watermelon seeds' not be acceded to, as the matter concerning 'huge quantities of watermelon seeds' was still under investigation.

22. In a subsequent response, the DRI, *vide* letter dated **23.01.2026** (received on **28.01.2026**), informed that the investigation under the matter was still underway.

Action Taken During the Appellate Proceedings: -

23. After acceptance of the appeal, the RA, Ludhiana, was asked to furnish the Respondent's comments on the appeal filed by the appellant firm along with DRI letter dated 14.10.2025 mentioned in the brief provided by them *via* email dated 31.10.2025. The RA, Ludhiana reverted furnished a detailed report through their email dated **08.12.2025**, and enclosed the inspection reports along with a copy of DRI letter dated **14.10.2025**. They further informed that, 'as watermelon/muskmelon seeds are dry in nature, they are non-perishable goods', and that an investigation with respect to the 'huge quantities of watermelon seeds' is ongoing.

24. Subsequently, an email dated **29.12.2025** was sent to the appellant, asking them to furnish the set of documents advised during the first personal hearing. Further, an email dated **29.12.2025** was sent to RA, Ludhiana, seeking copies of the Advance Authorizations along with supporting documents, copy of SION under which the Advance Authorizations were issued, and details of addresses from which the Show Cause Notices/order-in-original/letters were returned undelivered. An ISN dated **29.12.2025** was issued to the EGTF branch, seeking modification details with respect to the IEC issued to the appellant, *viz.* date and nature of modifications, timeline, and documents filed for such modification/s.

25. In response, the EGTF branch, *vide* ISN dated **31.12.2025**, furnished a list of the said modification details along with the documents. RA, Ludhiana, *via* email dated **06.01.2026**, provided copies of all the **18** Advance Authorizations along with supporting documents, a copy of SION, and the details of addresses from which the SCNs were returned undelivered.

26. Moreover, the appellant, *vide* a letter dated **08.01.2026**, filed some documents. The appellant firm asserted that they had been paying GST on their business activities and that their intention was to expand business operations in domestic as well as exports areas, and during the preceding year there had been substantial expansion which could be verified from the increase in GST paid. Referring to Para 11.31 of the FTP, the appellant argued that the activity of packing is covered under the 'manufacturer' head, thus making them eligible for Advance Authorization benefits.

27. Following the second personal hearing, the appellant, *vide* a letter dated 15.01.2026, filed the documents advised during that hearing, inclusive of copies of rent agreements, copies of electricity bills, a short note on activities conducted, and details of duty paid. Further, the DRI was requested, *vide* a letter dated 15.01.2026, to furnish a current status report on their investigation. This request led to the DRI's response dated 23.01.2026 (received on 28.01.2026) as detailed in the DRI-related information section above.

DISCUSSION-CUM-FINDINGS

28. Based on factual matrix of the case, along with the submissions and/or comments filed by both the appellant, DRI and RA, Ludhiana (Respondent), the following findings are hereby recorded: -

28.1 In the present matter, the appeals against the impugned Orders dated 16.10.2025 have been filed well within the stipulated timeframe of 45 days defined U/s.15 of the FT (D&R) Act, 1992, as amended. Accordingly, the appeals are admitted for consideration on their merits. At the appellate stage, the appellant has been provided multiple opportunities to furnish evidences demonstrating their *bonafides*.

28.2 During the Appellate Proceedings, it was observed that the Adjudication orders were passed on 16.10.2025 while the appellant firm had filed the appeals on 12/ 13/ 14.11.2025. The 18 AAs were cancelled on the basis of non-existence of the appellant firm on the inspected premises. The facts regarding the diversion of duty-free imported goods were not mentioned in the Cancellation Orders. However, the RA, Ludhiana had mentioned the same in brief sent to appellate authority on 31.10.2025 before filing of appeal and same were reiterated again in their the detailed response submitted.

28.3 Furthermore, the current status of the investigation was also sought from the DRI, and in response thereto, the DRI *vide* a letter dated 23.01.2026 stated as follows: -

"the facts of the case and outcome of the searches had already been shared with DGFT vide letter dated 14.10.2025. It was categorically brought out that the advance authorization holder had been found indulged in diversion of goods imported duty free and that no manufacturing or shelling facility existed at the premises declared in the advance authorization. Further investigation in the said matter is still underway."

documents to the Appellate Authority, including proof of under-protest duty paid to DRI, to counter some of these allegations. They have also repeatedly asserted their existence at other premises and their reliance on supporting manufacturers.

28.5 As per the provisions of Section 15(2) of the FT (D&R) Act, 1992 which is reproduced herein below: -

(2) The Appellate Authority may, after giving to the appellant a reasonable opportunity of being heard, if he so desires, and after making such further inquiries, if any, as it may consider necessary, make such orders as it thinks fit, confirming, modifying or reversing the decision or order appealed against, or may send back the case with such directions, as it may think fit, for a fresh adjudication or decision, as the case may be, after taking additional evidence, if necessary:

The Appellate Authority is empowered to remand the case with such necessary directions, as it deem appropriate, for the purpose of fresh adjudication or decision.

28.6 It has been observed that the DRI's investigation into the diversion of goods and the ongoing probe into walnut imports are also crucial factors that may be taken into account by the Adjudicating Authority. The proper course of action, therefore, would be to remand the matter for the purpose of fresh adjudication by the Adjudicating Authority at RA, Ludhiana, thereby re-considering and examining the additional evidence relied upon by the appellant and DRI's inputs as per their letters dated 14.10.2025 and 23.01.2026. Thus, the Adjudicating Authority (RA, Ludhiana) shall pass a speaking order as per the relevant and applicable provisions of the FT (D&R) Act, 1992, as amended

29. Keeping in view all the aforementioned facts & findings, and in the interest of upholding natural justice, I, in exercise of the powers conferred upon me U/s.15 of the FT (D&R) Act, 1992, as amended, and after a due consideration of all the contentions and/or submissions made by the appellant, DRI's investigation as well as RA, Ludhiana's report along with the documents placed on record, hereby pass the following Order: -

ORDER

29.1 Pursuant to Section 15(2) of the FT (D&R) Act, 1992, as amended, the present case is hereby remanded to RA, Ludhiana, for the purpose of fresh adjudication.

29.2 This Order is issued without prejudice to any other action that may be initiated against the appellant under this Act or any other prevailing and/or applicable Act, rule, regulation or Order made thereunder.

Sd/-

(A. B. MENON)

Additional Director General of Foreign Trade

Copy to: -

1. The RA, Ludhiana, for information & necessary action at their end.

(Signature)
(VANITA RELAN)

Assistant Director General of Foreign Trade

etc