

CWP-13485-2026 (O&M)

**COSMAS RESEARCH LAB LIMITED
VS.
DIRECTORATE GENERAL OF FOREIGN TRADE, LUDHIANA AND ORS**

Present: Mr. Abhishek Garg, Advocate,
Mr. Tarang Goyal, Advocate
for the petitioner.

Mr. Sudhir Nar, Senior Panel Counsel,
for the respondents-UOI.

1. While entertaining the Writ Petition on the previous occasion, i.e. on 21.09.2026, following orders were passed by this Court:-

“Though an affidavit has been filed by the respondents, but the directions issued by this Court on 03.09.2026 remain uncomplied with.

Learned counsel for the respondents-Union of India states that the matter has been referred to the Head Office for certain guidelines by the Policy Relaxation Committee.

Let this matter be listed once again on 06.10.2026, by when the status shall be disclosed by the respondents-Union of India in terms of the previous order dated 03.09.2026 passed by this Court. It shall also be disclosed as to whether any reasoned order has been passed placing the petitioner in the Denied Entity List or not.

The respondents-Union of India shall also clarify as to whether their action is in consonance with the law laid down by this Court in Pace International and Others v. Union of India and Others, MANU/PH/3600/2012.”

2. Learned counsel for the respondents-UOI has obtained instructions in the matter, according to which, no specific order has been passed against the petitioner after affording an opportunity of hearing.

What is, however, informed is that a notice has now been issued to the petitioner to appear before the authority concerned.

3. In **Pace International and Others v. Union of India and Others, MANU/PH/3600/2012**, the Division Bench of this Court has held in paras 7 and 8 as under:

“7. The effect of the petitioner’s name being entered in the “Denied Entities List” results in civil consequences. The Circular itself in Para 3(c) contains a provision that the authority would strictly adhere to the principles of natural justice. In other words, this would require giving an opportunity to the parties likely to be effected before passing the order. In the instant case, this was not complied with.

8. We further make it clear that if the respondents have otherwise power, it is always open to exercise the jurisdiction after applying the parameters as set out in Para 2 of the Circular dated 31st December, 2003.

Rule is made absolute in terms of prayer clause (a).

No order as to costs.”

4. Considering the fact that no order has been passed by the respondents putting the petitioner in the Denied Entities List, despite grant of opportunity of hearing nor any compliance of the principles of natural justice is shown to have taken place, as such the matter requires consideration.

5. Notice of motion.

6. Mr. Sudhir Nar, Senior Panel Counsel, UOI accepts notice on behalf of the respondents-UOI and prays for time to file reply in the

matter. May do so by the next date of hearing with a copy in advance to the learned counsel for the petitioner.

7. List this case again on **01.12.2026**.

8. As an interim measure, we provide that the petitioner shall not be placed in the “Denied Entities List”. However, the petitioner will not be able to avail any duty draw-back till an appropriate order is passed, after affording an opportunity of hearing to the petitioner in the matter by the respondents.

[ASHWANI KUMAR MISHRA]
CHIEF JUSTICE

[ROHIT KAPOOR]
JUDGE

October 6, 2026
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