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14 MAR 2016

F. No. N. 22012/06/2015-NC-1

Government of India
Ministry of Finance
Department of Revenue

Room No. 48-C, North Block
New Delhi, 11th March, 2016

To

Shri Rajesh Puri,
Narcotics Commissioner,
Central Bureau of Narcotics,
Ministry of Finance,
19-The Mall Morar,
Gwalior-474006.

Subject: Implementation of Order dated 05.02.2016 passed by Hon'ble High Court of Judicature at Madras in W.P. No. 29806/2015 regarding registration of sales contract for import of poppy seeds from Turkey-issue of revised guidelines - reg.

Sir,

I am directed to refer to your letter no. XVI/13/13/N/PS/CC/2015 dated 15th February, 2016 on the subject mentioned above and to forward herewith a copy of the revised guidelines approved by Competent Authority for registration of sales contract for import of poppy seeds from Turkey.

2. The decision of Hon'ble High court on 10.03.2016 in WA No.132/2016 intimated by Shri Chandan, Central Government Counsel and approved by Sh Prabhuling K. Navadgi ASG, vide email dated 11.03.2016 is enclosed for necessary action.

Yours faithfully

(Signature)
(Manish Mani Tiwari)
Director (NC)
Tel: 23092686

Encl:- As above

**Guidelines for Registration of Sale Contracts
for Import of Poppy Seeds from Turkey**

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I. Determination of Country Cap:

- (i) As per the competent authority of Turkey, poppy seeds produced in a particular crop season are available for export starting from 1st July. For example, poppy seeds produced from the crop season 2014-15 are available for export from 1st July, 2015.
- (ii) Narcotics Commissioner shall determine a provisional country cap based on the following information received from the competent Turkish authority:
 - a) carried over stock of poppy seeds produced from previous crop year after discounting for the domestic consumption, export to other countries, re-sowing and wastage; and
 - b) 50% of the fresh harvest in the current crop year.
- (iii) Thereafter, once the actual production figures are available from the competent Turkish authority in the month of September, the final country cap will be determined by a Committee comprising the Narcotics Commissioner, one representative of Directorate General of Foreign Trade (DGFT) and one representative of Department of Revenue. The committee shall consider the information provided by the Turkish authorities as well as such other data on world trade available on UN websites, as deemed fit.

II. Application for Registration of Sale Contract:

- (i) Narcotics Commissioner shall issue public notice intimating the provisional country cap to invite applications for registration of sales contracts for import of poppy seeds. The public notice shall include the application form seeking such information along with supporting documents as the Narcotics Commissioner may deem fit for allowing registration of sales contracts for import of poppy seeds in a fair and transparent manner.
- (ii) The Narcotics Commissioner shall indicate the time period of minimum seven (7) days during which the applications for registration of sales contracts for import of poppy seeds shall be received in his office. A minimum period of seven (7) days shall be allowed between the date of issue of Public Notice and the date of commencement of receiving applications.
- (iii) Office of the Narcotics Commissioner shall scrutinize the applications received and shall accept applications found to be in order.
- (iv) Each importer with a specific Importer Exporter Code (IEC) shall submit only one (1) application and shall clearly indicate in his application the total quantity of poppy seeds sales contract they wish to register. In cases where more than one application are submitted by one importer with a specific Importer Exporter Code (IEC) all such applications shall be rejected.

III. Allocation of Provisional Country Cap:

- (i) Narcotics Commissioner shall apportion the provisional cap between the applicant in the following manner:

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- (a) Applicants shall be allowed to register sales contracts for the quantity applied for, or ninety (90) MT, whichever is less.
- (b) However, if the quantity available for allocation to the applicants is insufficient to allocate to all the applicants in the manner provided in (ii) above, selection of applicants shall be done through 'draw of lots'. A 'priority list' shall be made which shall be in accordance with the 'draw of lots'.
- (ii) Narcotics Commissioner shall inform the date for 'draw of lots' in the public notice issued for inviting the applications for registration of sales contracts for import of poppy seeds so that interested applicants may be present during 'draw of lots'.
- (iii) Draw of lots shall be carried out in a transparent manner in the presence of the applicants at the stipulated time and date.
- (iv) Quantity available for allocation to applicants shall be allocated in the manner provided in (i) above as per the priority list prepared through 'draw of lots' till the available quantity is exhausted.
- (v) Those applicants who do not receive any allocation due to the provisional country cap getting exhausted shall be put on 'waitlist' for consideration after final country cap is determined.

IV. Allocation after Final Country Cap:

- (i) After the final country cap is determined by the Committee as aforesaid, Narcotics Commissioner shall issue a public notice communicating the final country cap. However, no fresh application shall be invited for registration of sale contracts.
- (ii) The differential quantity between the quantity registered after allocation of the provisional country cap less the quantity surrendered by the applicants, if any, and final country cap shall be allocated in the following manner:-
 - (a) Applicants who were put on 'waitlist' due to the provisional country cap getting exhausted shall be allowed, in the order of the priority list drawn at the time of the allocation of provisional country cap, to register sales contracts for the quantity applied for, or ninety (90) MT, whichever is less.
 - (b) Quantity still available for allocation, after allocation to the applicants in waitlist as specified at IV (ii) (a) above, shall be allocated to those applicants who had applied for registration of more quantity but were allowed registration for less quantity. Such applicants shall be allowed, in the order of the priority list drawn at the time of the allocation of provisional country cap, to register sales contracts for the quantity applied for (after deducting the quantity allocated for registration earlier), or ninety (90) MT, whichever is less. The process shall be repeated in the same manner till the quantity available for allocation is exhausted.

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Allocation of quantity available due to surrender of registered quantity after allocation of final country cap:

- (iii) Quantity that may be available due to surrender of registered quantity after allocation of final country cap may be allocated in the manner provided in IV (ii) (b).

V. Validity of Sales Contract Registered:

- (i) The sales contracts registered by the Narcotics Commissioner based on the allocation of provisional country cap shall be valid for a period of four (4) months from the date of communication of such registration to the applicant.
- (ii) The sales contracts registered by the Narcotics Commissioner based on the allocation of final country cap shall be valid till 30th June 2016.

VI. Surrender of Registered Quantity

An applicant, after registration of sales contract, may surrender part or full of registered quantity by communicating in writing and received by the Narcotics Commissioner within a period of 30 days from such registration.

VII. Penalty for non-performance:

If an importer fails to import a minimum of 50% of the quantity registered for import, less the quantity surrendered, shall be debarred from registration of sale contracts for a period of two years.

VIII. Miscellaneous:

- (i) Country of Origin Certificate shall not be insisted upon at the time of registration of import contracts but the importer will have to present the same before the customs authorities at the time of actual imports.
- (ii) In order to enable the Narcotics Commissioner to monitor the actual imports against the country caps, the DG (Systems) would make available the data of import of poppy seeds from all EDI ports of the country in an aggregated as well as disaggregated (importer wise) manner, on a daily basis electronically of the Narcotics Commissioner.
