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Government of India
Ministry of Finance
Department of Revenue

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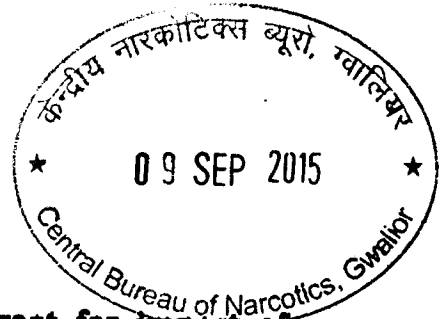
Room No. 48-C, North Block
New Delhi, 8th September, 2015

to
09/9
Saxena

To

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

ANC (NAR)
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Subject: Guidelines for registration of sales contract for import of poppy seeds from Turkey-reg.

Sir,

I am directed 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 for necessary action. It may be noted that sales contracts registered in pursuance of public notice PS-4/2015 and PS-5/2015 has already been revoked vide Ministry's letter of even no. dated 31.08.2015.

Encl As Above

Yours faithfully
(Signature)
(Manish Mani Tiwari)
Director (NC)
Tel: 23095415

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

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 alongwith 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) Applicant who have imported poppy seeds from Turkey to India for at least 3 years during the last 5 years shall be categorized as 'Category-A'. This Category of importers shall be allotted a quantity from the provisional country cap which is the average ratio of the import by "Category A" and 'Category B' of importers in last years.
- (b) Other importers shall be categorized under 'Category-B' and shall be allotted the balance amount of provisional quota after allocation is done as per Para III (i)(a) of these guidelines.

Allocation to applicants in Category-A

- (ii) Applicants in Category-A shall be allowed to register sales contracts for the quantity applied for, or two hundred and seventy (270) MT, whichever is less.
- (iii) However, if the quantity available for allocation to the applicants in Category-A, calculated as per Para III(i)(a) above, is insufficient to allocate to all the applicants in the manner provided in Para III(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'. Quantity available for allocation to applicants in Category-A calculated as per Para III(i)(a) shall be allocated as per the priority list prepared through 'draw of lots' till the available quantity is exhausted.
- (iv) 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'.
- (v) Draw of lots shall be carried out in a transparent manner in the presence of the applicants at the stipulated time and date.
- (vi) 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.

Allocation to applicants in Category-B

- (vii) Applicants in Category-B shall be allowed to register sales contracts for the quantity applied for, or one hundred and eighty (180) MT, whichever is less.
- (viii) However, if the quantity available for allocation to the applicants in Category-B, calculated as per Para III(i)(b) above is insufficient to allocate to all the applicants in the manner provided in Para III(vii) 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'.
- (ix) Quantity available for allocation to applicants in Category-B shall be allocated in the manner provided in Para III(iv) above as per the priority list through 'draw of lots' till the available quantity is exhausted.
- (x) Those applicants who do not receive any allocation due to exhaust of the provisional country cap shall be put on 'waitlist' for consideration after final country cap is determined.

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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 same ratio as provided for in Para III(i) above.

Allocation to applicants in Category-A

- (iii) Applicants in Category-A who were put on 'waitlist' due to the provisional country cap getting exhausted shall be allowed, in the order of the priority list drawn for that category at the time of the allocation of provisional country cap, to register sales contracts for the quantity applied for, or two hundred and seventy (270) MT, whichever is less from the quota allocated to this Category as per Para IV above.
- (iv) Quantity still available for allocation, after allocation to the applicants in waitlist as specified at (iii) above, shall be allocated to those applicants of Category-A, who had applied for registration of more quantity but were allowed registration for less quantity. Such applicants in Category-A shall be allowed, in the order of the priority list drawn for that category 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 two hundred and seventy (270) MT, whichever is less. The process shall be repeated in the same manner till the quantity available for allocation to the applicants in Category-A is exhausted.

Allocation to applicants in Category-B

- (v) Applicants in Category-B who were put on 'waitlist' due to the provisional country cap getting exhausted shall be allowed, in the order of the priority list drawn for that category at the time of the allocation of provisional country cap, to register sales contracts for the quantity applied for, or one hundred and eighty (180) MT, whichever is less from the quota allocated to this Category as per Para IV above.
- (vi) Quantity still available for allocation, after allocation to the applicants in waitlist as specified at (v) above, shall be allocated to those applicants of Category-B, who had applied for registration of more quantity but were allowed registration for less quantity. Such applicants in Category-B shall be allowed, in the order of the priority list drawn for that category 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 one hundred and eighty (180) MT, whichever is less. The process shall be repeated in the same manner till the quantity available for allocation to the applicants in Category-B is exhausted.

Allocation of quantity available for applicants of one category to applicants of other category

- (vii) Quantity still available for allocation, after allocation to applicants of a particular category as per their request, shall be made available for allocation to applicants of other category.

Allocation of such quantity shall be done in the manner provided in Para IV (iv) or Para IV(vi) above, as the case may be.

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

- (viii) 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 (iv) and (vi) in the respective category.

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 of the next year.

VI. Surrender of Registered Quantity

- (i) 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.

VI. Penalty for non-performance:

- (i) 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.

VII. 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.
