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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ LPA 211/2020, CM APPLs. 21903/2020, 18627/2021, 3902/2022, 8008/2022, 14929/2022, 24835/2022, 63980/2023, 12112/2025 & 30365/2025

Judgment reserved on: 25.02.2026
Judgment pronounced on: 12.03.2026

DEVKI GLOBAL CAPITAL
PRIVATE LIMITED & ANR. .....Appellant
Through: Mr. Jayant Mehta, Sr. Adv. with Ms. Damini Chawla, Mr. Pallav Arora, Mr. Vishal Thakur and Mr. Harsh Gupta, Advs.

versus

UNION OF INDIA THROUGH SECRETARY,
MINISTRY OF FINANCE & ANR. .....Respondent
Through: Mr. Mukul Singh, CGSC with Mr. Aryan Dhaka and Mr. Vikrant Badesra, Advs.
Mr. Ripudaman Bhardwaj, CGSC
Mr. Gaurav Barathi, Mr. Vishal Thakur, Mr. Chirantan Priyadarshan, Advs. for intervenor

\+ LPA 212/2020, CM APPLs. 19507/2020, 18625/2021, 3852/2022, 7311/2022, 14928/2022 & 25233/2022

SUN ORGANIC INDUSTRIES
PRIVATE LIMITED & ANR. .....Appellant
Through: Mr. Ashish Dholakia, Sr. Adv. with Ms. Damini Chawla, Adv.

versus

UNION OF INDIA THROUGH SECRETARY,
MINISTRY OF FINANCE & ANR. .....Respondent
Through: Mr. Ripu Daman Bharadwaj, CGSC with Mr. Kushagra Kumar and Mr. Amit Kumar Rana, Advs. for UOI

\+ LPA 213/2020, CM APPLs. 19510/2020, 18629/2021, 3854/2022, 7702/2022, 14940/2022 & 25232/2022

SHAMBHU MERCANTILE
LIMITED & ANR. .....Appellant
Through: Ms. Damini Chawla, Adv.

versus

UNION OF INDIA THROUGH SECRETARY,
MINISTRY OF FINANCE & ANR. .....Respondent
Through: Mr. Mukul Singh, CGSC with Mr. Aryan Dhaka and Mr. Vikrant Badesra, Advs. for UOI

\+ LPA 214/2020, CM APPLs. 19513/2020, 18623/2021, 7940/2022, 15194/2022 & 24836/2022

K.L. GUPTA AND SONS
PRIVATE LIMITED & ANR. .....Appellant
Through: Ms. Damini Chawla, Adv.

versus

UNION OF INDIA THROUGH SECRETARY,
MINISTRY OF FINANCE & ANR. .....Respondent
Through: Ms. Arti Bansal CGSC with Ms. Shruti Goel. Advs.

CORAM:
HON'BLE MR. JUSTICE C. HARI SHANKAR
HON'BLE MR. JUSTICE OM PRAKASH SHUKLA

JUDGMENT

% 12.03.2026

OM PRAKASH SHUKLA, J.

1. Through the present Letters Patent Appeals[1], the Appellants assail the correctness of the common judgment dated 14.07.2020[2], rendered by the learned Single Judge of this Court in W.P. (C) Nos. 7676/2019, 11123/2019, 11125/2019, and 13124/2019. These writ petitions were filed by the Appellants raising substantially similar grievances, primarily concerning the refusal of Respondent No. 2 to

[1] "LPA" hereinafter
[2] "Impugned Judgment" hereinafter

register the Appellants' sales contracts for the import of poppy seeds from the Republic of Turkey[3], in accordance with the Guidelines dated 25.06.2019[4] issued by Respondent No. 1. Furthermore, the Appellants raised concerns before the learned Single Judge regarding the fixation of a Country Cap, which was alleged to have been determined in contravention of the applicable framework.

2. The Appellants contended that poppy seeds were freely importable under the Foreign Trade Policy of India, subject to the condition that sales contracts for such imports must be registered with Respondent No. 2. The crux of the Appellants' grievance is that despite their sales contracts for the import of poppy seeds from Turkey having been registered with the Turkish Grain Board[5] in accordance with the Guidelines, Respondent No. 2 did not register their sales contracts in India, thereby rendering them without the requisite import permits. The said non-registration resulted in the Appellants being unable to import the poppy seeds, causing them significant financial loss.

3. Since all the appeals arise from the same *lis* and revolve around substantially similar questions of fact and law, they are being disposed of through this common judgment. For convenience, and with the consent of the parties, LPA No. 211/2020 shall serve as the lead case, and the decision herein shall apply to the other appeals.

4. The brief facts leading to the present appeals are as follows:

[3] "Turkey" hereinafter
[4] "Guidelines" hereinafter
[5] "TMO" hereinafter

Brief Facts

5. The Appellants herein are importers of poppy seeds and engaged in the business of importing and selling poppy seeds in India.

6. The Central Bureau of Narcotics[6], functioning under the Department of Revenue, Ministry of Finance, Government of India, is the authority entrusted with regulating the import of poppy seeds into India. CBN has been arrayed as Respondent No. 2 in the present appeals, while the Union of India has been arrayed as Respondent No.1.

7. Respondent No. 1 entered into a Memorandum of Understanding[7] on 23.05.2018 with Turkey to regulate the import of legally cultivated poppy seeds into India. Article III of this MOU prescribes the procedure for registration of sales contracts, requiring the TMO to maintain an Online System Portal[8] through which Turkish exporters must register sales contracts entered into with Indian importers for the export of poppy seeds with the TMO. Upon such registration, CBN is required to register the said sales contracts on the basis of the details reflected on the portal.

8. Article III of the MOU further stipulates that TMO shall not register sales contracts exceeding the Country Cap, which is the permissible annual quantity of poppy seeds that may be imported from

[6] "CBN" hereinafter
[7] "MOU" hereinafter
[8] "The portal" hereinafter

Turkey into India, as determined by the Government of India in consultation with the Government of Turkey. This cap takes into account Turkey's crop-year production, carry-forward stock, and its domestic or export requirements.

9. In accordance with the MOU, CBN issued a Public Notice dated 25.06.2019, along with the Guidelines, specifying the process for registering sales contracts pertaining to the import of poppy seeds from Turkey for the crop year 2018–19. Thereafter, Turkish exporters proceeded to register their sales contracts with the TMO.

10. However, at the time of the issuance of the Public Notice and Guidelines, the Country Cap for the crop year 2018-19, which was required to be fixed as mandated by the MOU, had not yet been fixed. Aggrieved by non-fixation of the Country Cap, the Appellants filed W.P.(C) No. 7676/2019 before this Court, contending that the registration process could not lawfully proceed in the absence of the fixation of the Country Cap. The Appellants argued that no steps towards registration ought to be permitted until the Country Cap was fixed.

11. On 30.07.2019, the Respondents conceded before the learned Single Judge that the Country Cap had not yet been fixed. The Respondents further submitted that, in view of the strict timelines, no imports would be permitted for the crop year 2018-19 irrespective of the registration of sales contracts with the TMO. The learned Single Judge also granted an interim stay on the import of poppy seeds until

the next date of hearing.

12. Subsequently, on 02.08.2019, a provisional Country Cap of 18,000 MT was fixed for the crop year 2019-20.

13. With the fixation of the Country Cap, the issue in W.P.(C) No. 7676/2019 was confined to determining whether contracts registered with the TMO prior to the fixation of the Country Cap could be considered for import for the crop year 2019-20. In this regard, CBN sought clarification from TMO, which confirmed that all previously registered contracts would be removed from the system and would not be considered for registration for the crop year 2019-20. This position was further clarified *vide* a letter dated 06.09.2019 from Turkish Embassy to CBN, indicating that all exporters would be required to apply afresh with the TMO, and that only valid applications would thereafter be uploaded on the portal accessible to the CBN for the issuance of import permits.

14. In light of the above clarifications, W.P. (C) No. 7676/2019 was disposed of by order dated 11.09.2019.

15. Thereafter, CBN issued a fresh Public Notice dated 13.09.2019, declaring the provisional Country Cap of 18,000 MT for the crop year 2019-20 and inviting the registration of sales contracts in accordance with the Guidelines, requiring exporters in Turkey to first register their sales contracts with the TMO.

16. Subsequently, TMO opened the portal for the registration of sales contracts on 25.09.2019. The Appellants' exporters and several other

exporters registered their respective sales contracts. The relevant particulars of the quantities to be imported by the Appellants are as follows: -

LPA No.	Quantity to be imported
211/2020	90MT
212/2020	144MT
213/2020	450MT
214/2020	450MT

17. While the Appellants' sales contracts stood registered with the TMO, these registrations were not reflected in the portal accessible to the CBN. As a result, no import permits were issued by the CBN to the Appellants.

18. The Appellant[9] filed CM APPL. No. 45339/2019 in W.P.(C) No. 7676/2019 to raise the grievance that, despite the registration of their contracts with the TMO, CBN had declined to register the contracts in India. Subsequently, the Appellants in the connected appeals also filed separate writ petitions, aggrieved by the non-issuance of import permits by CBN despite registration of their sales contracts with TMO.

19. In response to this grievance, CBN sought clarification from the TMO. By a letter dated 30.10.2019, the TMO informed CBN that the Appellants' contracts could neither be approved nor uploaded, as the notified Country Cap of 18,000 MT had already been exhausted by other registered contracts. It was further indicated that these sales contracts could be uploaded if the Government of India revised the

[9] in LPA 211/2020

Country Cap, and also indicated availability of 26,540 MT of poppy seeds in Turkey for export to India.

20. Relying on the above communication regarding the availability of an additional quantity of poppy seeds in Turkey for export, the Appellants submitted representations to the respondents on 01.01.2020 and 02.01.2020, seeking enhancement of the provisional Country Cap. In response, it was conveyed that the final Country Cap for the crop year 2019–20 had been fixed at 18,000 MT in accordance with the applicable Guidelines.

21. Aggrieved by both the fixation of the final Country Cap at 18,000 MT and the non-registration of their contracts, the Appellants challenged the Respondents' actions before the learned Single Judge. Finally, the dispute before the learned Single Judge primarily circled around on the following premise:

- The Appellants contended that the fixation of the final Country Cap at 18,000 MT was arbitrary since the Country Cap should have been determined after taking into account Turkey's crop year production, carry-forward stock, and export availability, as mandated under the MOU. They highlighted that the availability of an additional 8,438 MT of poppy seeds in Turkey wasn't accounted while determining the Country Cap.
- The Appellants argued that registration with TMO ought to have automatically resulted in the corresponding registration by CBN, lack thereof was violative of Article III of the MOU.

- The Appellants further contended that W.P.(C) No. 7676/2019 had been disposed of with an assurance that all pre-Country Cap registrations would be cancelled and the registration process would recommence. However, contrary to this assurance, the very same contracts were re-registered with the TMO, thereby denying the Appellants an equal opportunity to participate in the process and vitiating the fairness of the entire exercise.

22. The learned Single Judge dismissed the writ petitions by the Impugned Judgment dated 14.07.2020, holding that the determination of the Country Cap falls squarely within the domain of economic policy, and in the absence of *mala fides*, unreasonableness or arbitrariness does not warrant judicial interference. It was further concluded that no breach was found on part of the Respondents in non-registration of the Appellant's import contracts for intervention by the Court.

23. Hence, the present LPAs have been filed.

Rival Submissions Before this Court

Submissions of learned Senior Advocates Mr. Jayant Mehta and Mr. Ashish Dholakia

24. Learned Senior Counsel for the Appellants submitted that the Appellants had duly registered their sales contracts on 25.09.2019 with the TMO and had been issued valid registration numbers. However, despite timely registration, CBN did not process their sales contracts,

while other contracts registered within the same time frame, and even those registered subsequently, were processed. It was further contended that such unequal treatment, without any disclosed rationale or justification, was manifestly arbitrary and discriminatory.

25. Learned Senior Counsel further argued that, in terms of the Guidelines read with the MOU, the registration of a sales contract with the TMO ought to have been automatically reflect on the portal accessible to CBN. The subsequent insistence on a separate stage of "uploading", as indicated in the communication dated 30.10.2019, introduced an artificial distinction between registration and uploading that was not contemplated under the governing framework. This, according to the Appellants, contravened both the Guidelines and the MOU, by creating an additional procedural barrier not envisaged under the framework.

26. It was further contended that the non-reflection of the Appellants' registrations on the ground of the exhaustion of the Country Cap was itself contrary to the MOU, which envisages that registrations shall not exceed the notified quantity. The Appellants argued that, in such circumstances, the CBN should have sought clarification from the TMO regarding how excess registrations were entertained. Additionally, it was submitted that the CBN ought to have objected to the introduction of any post-registration conditions not envisaged under the MOU and ensured that, if the registrations exceeded the Cap, a fair and transparent mechanism for allocation should be devised by the Respondents and failure to do so is in a violation of Article 14 of the

Constitution of India[10].

27. Learned Senior Counsel submitted that the Respondents' conduct, viewed in its entirety, disclosed manifest procedural irregularity and arbitrariness, as (i) CBN failed to disclose the complete particulars of contracts registered prior to the fixation of the Country Cap; (ii) the attempt to shift responsibility onto TMO for non-furnishing of such details was untenable, particularly given CBN's admitted access to the online portal under the MOU; and (iii) despite earlier representations that pre-Cap registrations would be cancelled and that the process would recommence afresh, the same contracts were allegedly re-registered, thereby compromising transparency and depriving the Appellants of a fair and equal opportunity to participate in the process, in violation of the principles of fairness, transparency, and equality under Articles 14 and 19(1)(g) of the Constitution.

28. It was further contended that the allocation of the Country Cap, which regulates the permissible quantum of poppy seed imports, constitute the distribution of a limited, State-controlled commercial opportunity. Such a decision must, therefore, satisfy the constitutional mandate of fairness, transparency, and non-arbitrariness under Articles 14 and 19(1)(g). CBN cannot evade its obligation to ensure that the mechanism under the MOU is implemented in a fair and transparent manner. The Appellants relied upon various judgments, including ***Centre for Public Interest Litigation and Others v. Union of India and others[11]; Natural Resources Allocation, In re, Special Reference No.***

[10] "Constitution" hereinafter
[11] **(2012) 3 SCC 1**

1 of 2012[12], Sterling Computers Ltd. v. M & N Publications Ltd.[13], Scheduled Castes and Scheduled Tribes Officers' Welfare Council v. State of U.P.[14], DDA v. Joint Action Committee, Allottee of SFS Flats[15], Securities and Exchange Board of India vs. Pan Asia Advisors Limited & Anr.[16], Humanity v. State of W.B.[17], , Bennett Coleman & Co. v. Union of India[18], City Industrial Development Corpn. v. Platinum Entertainment,[19] Mannalal Jain v. State of Assam and Others[20], Bharti Airtel Ltd. v. Union of India[21] *and* ***Haridas Exports vs. All India Float Glass Manufacturers' Association[22],*** to support their submissions.

Submissions of learned CGSC Mr. Mukul Singh

29. *Per contra*, learned Counsel for the Respondents contended that under the Guidelines and the MOU, the registration of sales contracts was to be undertaken exclusively by the TMO on its portal. Any grievance related to non-registration or non-reflection of contracts, therefore, lies within the domain of the TMO. CBN's role is limited to accessing the system and verifying registrations reflected therein for the purpose of granting import licenses. It was submitted that no fault could be attributed to the CBN for the non-reflection of the Appellants' contracts in the system, as CBN had acted strictly in accordance with

[12] **(2012) 10 SCC 1**
[13] **(1993) 1 SCC 445**
[14] **(1997) 1 SCC 701**
[15] **(2008) 2 SCC 672**
[16] **(2015) 14 SCC 71**
[17] **(2011) 6 SCC 125**
[18] **(1972) 2 SCC 788**
[19] **(2015) 1 SCC 558**
[20] **(1961) SCC OnLine SC 355**
[21] **(2015) 12 SCC 1**
[22] **(2002) 6 SCC 600**

the prescribed procedure.

30. Learned Counsel further submitted that there was no violation of Articles 14 or 19(1)(g) of the Constitution. Import regulation is a matter of economic policy framed in public interest, and such policy decisions are not subject to judicial interference unless shown to be manifestly arbitrary or unreasonable. Relying on the decisions in ***Daruka & Co. v. Union of India***[23], and ***A.K. Traders v. Union of India***[24], it was contended that such policy decisions are presumed to be in the public interest, and no individual has an absolute right to import. Even if the regulation affects business interests, it does not warrant judicial interference, as it pertains to a matter of economic policy. Hence, the Respondents' actions do not warrant judicial scrutiny under Articles 14 and 19(1)(g) of the Constitution.

Analysis

31. We have heard learned Counsel for both the parties at length, perused the material on record, and examined the relevant judgments.

32. It is undisputed that the Appellants' sales contracts were registered with the TMO. It is equally conceded by the Respondents that numerous contracts, registered within the same time frame, were processed and granted registration by the CBN, whereas the Appellants' sales contracts were not registered by the CBN as they were not reflected on the portal accessible to the CBN.

[23] **(1973) 2 SCC 617**
[24] **2022 SCC OnLine Kar 1269**

33. The principal question that arises for consideration is whether, under the scheme of the Guidelines and the MOU, CBN can be held liable for the non-registration of the Appellants' contracts when such contracts were registered with the TMO. Furthermore, we must determine whether any independent obligation rested upon the CBN to take any action or otherwise act upon in any manner despite the fact that the Appellants' sales contracts were not reflected on the portal accessible to CBN.

34. Before proceeding to examine these issues, it is pertinent to delineate the scope of appellate interference, as recently reiterated by the Supreme Court in ***Bihar Industrial Area Development Authority v. Scope Sales (P) Ltd.***[25]**.** The Court held that the exercise of intra-court appellate jurisdiction is limited and warranted only "*where the judgment or order under challenge is demonstrably erroneous or suffers from perversity*". The appellate Bench ought not to substitute its own view merely because another view is possible on the same set of facts. The Court further observed that as long as the view taken by the learned Single Judge is plausible, the appellate Bench should refrain from substituting it with its own view.

35. Therefore, to begin with, it is appropriate to reproduce the relevant portion of the Impugned Judgment, which reads as follows:

> *"31. In view of the above, it is can be seen that the respondent no.2 is to verify the fact of registration of the sales contract by the 1MO through the online system maintained by the TMO. The*

[25] **2026 SCC OnLine SC 112**

submission of the respondents that the contract of the petitioners were not found as registered on the online system maintained by the TMO, has not been controverted by the petitioners by production of any document. The only submission made is based on the. document which shows that a registration number has been granted to the petitioners. Incase, even after the grant of such registration, the sale contracts are not being shown on the online system, the petitioners should have approached the TMO for the due reflection of such contracts on its online system. However, again, no document has been filed by the petitioners to show any such attempt by the petitioners or the result thereof. The reasons for non-reflection of the contracts of the petitioners on the online system are therefore, not discernable as a fact, however, only on basis of assumption."

32. It is also to be noted that in terms of Clause 1 and Clause 2 of the Guidelines, it is the exporting company in Turkey which has to get the sales contract registered with the TMO and only upon such registration, the Indian importer can approach the respondent no.2 for seeking registration of the sales contract. Therefore, registration of the Agreement by TMO is a matter between the exporter and the TMO, with which the respondents cannot be concerned or in any manner influence. The TMO shall be bound by its own procedures and law applicable in Turkey. This Court cannot examine the procedure followed by the TMO or issue any directions thereagainst. This court also cannot ask TMO to explain how, if at all, and on what basis only the contracts that were registered prior to notification of the Country Cap got re-registered thereafter.

33. As far as the respondents are concerned, once the sales contracts of the petitioners were not found on the online system as being registered by the TMO, the respondents have rightly refused to register such contracts and no fault can be found in such an exercise.

34. In this light, the submission of the learned counsel for the petitioners of 'first cum first serve' principle having been followed by the respondents or the registration being made by the respondents in some arbitrary manner, cannot also be sustained.

35. I may only note that Clause 3 of the MOU between the Government of India and Government of Turkey casts a responsibility on the TMO not to register sales contract in excess of the Country Cap declared by the Government of India. It would be for the TMO therefore, to determine in what manner and following what procedure such contracts shall be registered by it. It can also not be said that the respondents have failed to discharge any duty by not inquiring from the TMO about the non-registration of petitioners' contracts. In any case, the occasion for the respondents to adopt 'first cum first serve' principle would never arise."

(emphasis supplied)

36. From the analysis undertaken by the learned Single Judge, it is

clear that the conclusions reached were based largely on the interpretation of the relevant clauses of the Guidelines governing the procedure for registration. To that end, we consider it apposite to reproduce the relevant clauses hereunder-

> *"III. Procedure*
> *(i) Once the application is received by Narcotics Commissioner, requesting for registration of sales contract for import of poppy seeds from Turkey, the office of the Narcotics Commissioner shall verify the fact of registration of sales contract by TMO (through online system maintained by TMO).*
> *(ii) If the sales contract is found to be registered by TMO, Narcotics Commissioner will grant provisional registration to importer if condition as specified in Para -II are fulfilled. Such provisional registration will be sent to the importer and the online system maintained by TMO shall be up-dated accordingly.*
> *(iii) The applicant importer, on receiving provisional registration will be required to open Irrevocable Letter of Credit (ILC) in favour of Turkish Exporter or make advance payment to the extent of minimum 20% of total contract value of qty. allowed to be registered in provisional registration.*
> *Explanation: Contract value for the purpose of this clause will be computed proportionately in case quantity allowed to be imported under provisional registration is less than the quantity indicated in the sales contract…"*
>
> *(emphasis supplied)*

37. It is pertinent to note that these Guidelines were issued in pursuance of Article III of the MOU, which provides the procedural framework governing the registration and import of poppy seeds. The Appellants have placed reliance on both the Guidelines and the MOU. Hence, it is also necessary to reproduce Article III hereunder for clarity:

> ***Article III Of MOU***
> *"1. TMO shall maintain an online system to enable regulation of export of poppy seeds from Turkey to India. Exporting companies shall submit application through the EIB to TMO for obtaining membership of the online System.*
> *2. Each year, the quantity of poppy seeds which shall be imported*

by India from Turkey shall be decided by Government of India in consultation with Government of Turkey taking into account the production of poppy seeds in Turkey in a crop year, balance from previous crop years and domestic or other export requirement of Republic of Turkey.

3. The exporting companies shall get registered with the TMO. Each sales contract entered into by the exporting company with Indian importer shall be registered with TMO through the online system referred. It shall be the responsibility of TMO not to register sales contract in excess of the quantity referred to in sub-clause 2 of this article.

4. Taking into account the quantity as referred to in Sub Clause (2) above, every year both parties may consider to set a quantity to be imported by any Indian importer in a crop year.

5. The CBN will register the sales contract registered by TMO as per details accessed on the online system maintained by TMO in accordance with guidelines for registration laid down by DoR. The CBN shall upload the details of sales contract so registered by it on the online system. TMO shall allow the export in respect of only those contracts so registered by CBN."

(emphasis supplied)

38. A plain reading of Clause 1 of the MOU makes it evident that the obligation to establish and maintain the portal vests exclusively with the TMO. Clause 3 requires exporting companies to secure the registration of their sales contracts with the TMO, and simultaneously obliges the TMO not to register sales contracts beyond the notified Country Cap. Notably, Clause 5 unambiguously stipulates the responsibility of the CBN to "*register the sales contract registered by TMO as per details accessed on the online system maintained by TMO*".

39. The scheme emerging from these clauses is clear: the portal is to be maintained solely by the TMO, and exporters are required to register their sales contracts with the TMO. The role of the CBN is restricted to accessing the portal and verifying the sales contracts reflected therein, after which the CBN registers the contracts.

40. The limited role of the CBN is further reinforced by Clauses (i) and (ii) of the Guidelines, which confine its function to verification of sales contracts through the portal maintained by the TMO. It is only when the sales contracts are reflected on the portal that the CBN can proceed to grant registration. Thus, CBN's role is purely consequential and dependent upon the reflection of contracts by the TMO on the portal.

41. In this case, it is evident from the letter dated 30.10.2019 that the Appellants' sales contracts were not reflected on the portal accessible to the CBN, as the said contract could not be uploaded by the TMO since the Country Cap had already been exhausted due to other sales contracts. Once it is established that under the MOU, the CBN has no obligation to register contracts that are not reflected on the portal maintained by the TMO, the issue of any default on the part of the CBN in not registering the Appellants' contracts does not arise, considering that their contracts were not reflected on the portal.

42. The Appellants' argument that mere registration with the TMO should *ipso facto* result in reflection on the portal, and that the subsequent step of "uploading" introduced by the TMO in its communication dated 30.10.2019 is an artificial or extraneous requirement, is not supported by the record. Indeed, the material placed before us suggests otherwise.

43. A clear distinction between registration and uploading is evident in the communication dated 06.09.2019, which stated that contracts

registered by the TMO were subsequently uploaded on the system accessible to the CBN. Aforesaid communication further clarified that, following the declaration of a new Public Notice, exporters were required to submit fresh applications for registration for the upcoming period, and only valid applications would thereafter be uploaded by the TMO for issuance of import permits. This distinction between registration and uploading is thus evident from the communication dated 06.09.2019 issued well before the present *lis* arising from the non-registration of the Appellants' sales contracts by the CBN, as outlined below:

> *"2. The Turkish Exporters applications, which were supported by signed contracts and fully complying with all terms stipulated with CBN in its Public Notice dated 25 June 2019,* ***were registered by TMO and the same were uploaded to CBN*** *for about 18,000 MT being the quantity envisaged to be exported from Turkey to India, against crop year 2018-19, for issuance of Import Permits for shipment by 31July 2019."*
> *"3. Due to lack of Country Cap being declared by Government of India, no Import Permits were issued by CBN,* ***resulting that the said registrations made by TMO and its uploading with CBN****, for the crop year 2018-19 have since lapsed, along with expiry of its shipment period i.e. 31July 2019."*
>
> ****
>
> *5. Upon declaration of new Public Notice by CBN, all Turkish Exporters would be required to make new application for fresh registration of their Export Contracts with TMO, for shipment under 2019-20 period and* ***the valid applications, shall be uploaded by them with CBN, for issuance of Import Permits****."*
>
> *(emphasis supplied)*

44. Article III (5) of the MOU further highlights the distinction between "registration" and "uploading", although for CBN, by expressly stating that "*CBN shall upload the details of sales contract so registered by it on the online system"*. Therefore, uploading is a distinct step that occurs after registration, rather than being an automatic

outcome of registration. Accordingly, we are unable to concur with the learned Senior Counsel for the Appellants that the reflection of the portal accessible to CBN is an inescapable *sequitur* to mere registration with the TMO.

45. It is equally clear that if mere registration with the TMO were to automatically result in reflection on the portal accessible to the CBN, by dispensing with the stage of uploading, the mechanism would effectively be reduced to a rigid first-come-first-serve system, thereby denying an equitable opportunity of even participation to all.

46. With respect to the mandate under Article 14 and 19 of the Constitution, we concur with the law laid down in ***Centre for Public Interest Litigation*** *(supra),* ***Natural Resources Allocation*** *(supra)* and other precedents relied upon by the Appellants that government action in matters involving of grant of largesse, including the distribution of import licences must be fair and non-arbitrary. However, we find no breach of these principles in the present case. The role of CBN, as defined in the MOU, is triggered only when the contracts are reflected on the portal, which did not occur in the present case. Whether non-uploading of the Appellants' contracts was justified or not is not a matter for adjudication in these proceedings since the writ court cannot sit in appeal over the decision taken by a foreign entity i.e., TMO or the mechanism adopted by the TMO of any verification layer within its domain under the MOU.

47. The Appellant's allegation of favouritism or a pick-and-choose approach on the part of the CBN, thereby attributing arbitrariness is

equally unfounded. If the CBN had selectively countersigned some registrations while excluding others despite being reflected on the portal, a question of arbitrariness might have arisen. However, in the present case, since the Appellants' contracts were not uploaded on the portal at all, no such question of attributing arbitrariness can arise against the CBN. Any grievance regarding preferential uploading, if at all, would lie against the TMO. A remedy under Article 226 cannot be stretched to examine the method adopted by the TMO, as it is a foreign authority operating under the laws of Turkey.

48. The mere fact that the Appellants may not have an efficacious remedy against the TMO cannot justify imposing liability on the CBN in the absence of any proven breach of legal duty on its part. We concur with the finding of the learned Single Judge that, since the Appellants' sales contracts were not reflected on the portal, the CBN's refusal to register them cannot be faulted. The learned Single Judge has also rightly observed that Article III(3) of the MOU casts the responsibility on TMO not to register sales contracts in excess of the Country Cap and, therefore, it is for the TMO to determine the manner and procedure for such registration.

49. During the course of arguments, it was submitted that, upon becoming aware of the registrations having exceeded the Country Cap, the CBN should have intervened to ensure a fair mechanism for the distribution of import licenses instead of continuing registration on first come first serve basis. CBN's failure to do so, it was argued, amounted to a violation of Article 14, thereby making it a fit case for the exercise of writ jurisdiction by this Court.

50. In ***Union of India and Ors. v. Hindustan Development Corporation and Ors***[26], the Supreme Court explained the scope and limits of the doctrine of legitimate expectation in safeguarding against arbitrariness, if any, in the exercise of power by public authorities. It was observed as follows:

> *"28. Time is a three-fold present: the present as we experience it, the past as a present memory and future as a present expectation. For legal purposes, the expectation cannot be the same as anticipation. It is different from a wish, a desire or a hope nor can it amount to a claim or demand on the ground of a right. However earnest and sincere a wish, a desire or a hope may be and however confidently one may look to them to be fulfilled, they by themselves cannot amount to an assertable expectation and a mere disappointment does not attract legal consequences. A pious hope even leading to a moral obligation cannot amount to a legitimate expectation. The legitimacy of an expectation can be inferred only if it is founded on the sanction of law or custom or an established procedure followed in regular and natural sequence. Again, it is distinguishable from a genuine expectation. Such expectation should be justifiably legitimate and protectable. Every such legitimate expectation does not by itself fructify into a right and therefore it does not amount to a right in the conventional sense."*
>
> *(emphasis supplied)*

51. A reading of the aforesaid excerpt reveals that legitimate expectation must be founded on a right, rather than on a mere hope, wish or anticipation. This principle was further affirmed by Supreme Court in ***Army Welfare Education Society v. Sunil Kumar Sharma& Ors.***[27] and followed by a Division Bench of this Court in ***CBSE v. Prabhroop Kaur Kapoor***[28].

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[26] **(1993) 3 SCC 499**
[27] **(2024) 16 SCC 598**
[28] **2026 SCC OnLine Del 656**

52. In the present case, nothing has been presented to establish any obligation on the part of the CBN to monitor, supervise, or intervene in the registration process adopted by the TMO in Turkey. CBN's obligations are clearly defined by the MOU, and no residual or implied duty to intervene can be inferred from the MOU. The expectation that the CBN should have exceeded its defined role finds no support in either the MOU or the guidelines, nor does it flow from any legally enforceable right. Furthermore, had CBN taken such action, it would have amounted to overstepping the framework negotiated between the two sovereign governments where the obligation is on the TMO till the time sales contracts reflects on the portal to the CBN. Therefore, such an expectation from the CBN cannot be transformed into a legally enforceable right, nor can it constitute a breach of any legal duty on the part of the CBN so as to justify the intervention by this Court.

53. The Appellant's reliance on ***Haridas*** *(supra)* and invocation of the "effects doctrine" to assume jurisdiction over actions taken abroad is misplaced. In ***Haridas*** (*supra*), the Supreme Court held that the doctrine applies where an agreement or conduct outside India results in a restrictive trade practice within India that adversely affects competition in the domestic market. In the present case, the import of poppy seeds from Turkey is regulated through the fixation of a Country Cap as per the MOU. Since the Country Cap for the crop year 2019-20 had already been exhausted by other sales contracts, the TMO could not upload the Appellants' sales contracts. Mere non-uploading of the Appellants' sales contracts by the TMO neither constitutes a restrictive trade practice nor has it been shown to cause any distortion of competition or adverse effect on pricing in the Indian market so as to

attract the effects doctrine.

54. As far as the plea to draw an adverse inference against the CBN is concerned, it is untenable. The portal is admittedly maintained by the TMO, and if details concerning de-registered contracts after the declaration of the Country Cap were not provided by the TMO, CBN cannot be held responsible for the absence of such information. In the absence of material showing that the contracts registered before the declaration of Country Cap were re-registered, and in view of the fact that there was no explicit prohibition on filing fresh applications for the same contracts resulting in their re-registration after the declaration of the Country Cap, the broad allegations of collusion or denial of a fair opportunity to the Appellants remain unsupported and are therefore rejected.

Conclusion

55. In view of the reasons set out above, we find no grounds to differ from the view expressed in the Impugned Judgment.

56. The role of CBN, as per the governing framework under the MOU and the Guidelines, is limited and arises only upon the reflection of sales contracts on the portal maintained by TMO. The Appellants' grievance stems primarily from the non-uploading of their contracts by the TMO. However, no legal liability can be fastened upon the CBN for the actions or omissions of TMO. No violation of the MOU, the Guidelines, or Articles 14 and 19 of the Constitution has been established.

57. Accordingly, we conclude that the present appeals are devoid of merit and, therefore, liable to be dismissed.

58. Pending applications, if any, stand disposed of. No order as to costs.

OM PRAKASH SHUKLA, J.

C. HARI SHANKAR, J.

MARCH 12, 2026/*gunn/ss*/pa