

Essential Commodities Act, 1955

What is the Essential Commodities Act,1955

The Essential Commodities Act,1955 is a law that prohibits hoarding and black marketing of essential commodities. It is applicable throughout the country including Jammu and Kashmir. The list of the essential item under the Act include; pulses and edible oils, drugs, fertilisers, and petroleum and petroleum products etc.

If the Central government finds that the price of a certain commodity is shooting up due to short supply, **it orders the State Governments and Union Territories to fix the stock-holding limit of that commodity for a fixed period.**

Whoever sells this item, be it a wholesaler, a retailer or an importer, is prevented from stocking more than a certain quantity so that black marketing does not occur and price does not rise.

As it is done in case of shooting onion prices some time ago. The Central government had set the maximum limit of storage through state and UTs. If the police receive a complaint or suspect the hoarding, it can raid the warehouses/shop of the above-mentioned businessmen.

Worth to mention that Food and civil supply authorities execute the provisions of the Act.

Recently, the Central Government (Ministry of Consumer Affairs, Food & Public Distribution) has issued notifications under this Act. **The Central Government has declared hand sanitizer and masks as essential Commodities up to 30th June 2020.** This notification will prohibit the hoarding and overcharging of these two essential items.

Aims and Objectives of the Essential Commodities Act, 1955

- 1.** Maintaining an uninterrupted supply of essential commodities in the country.
- 2.** The government (Ministry of Consumer Affairs, Food & Public Distribution) tries to keep the price of essential commodities stable. The central government also fixes the maximum retail price for such goods. **As in the case of masks, the maximum retail price of 2 ply masks has been fixed at Rs 16.**
- 3.** Preventing unnecessary storage of essential commodities
- 4.** Stop black marketing of essential commodities

What are the Essential Commodities in India?

The list of essential goods can be changed according to economic conditions, weather, natural calamities, etc. States can change it according to their needs. From 15 February 2002, the Central government removed 12 commodities from the essential list completely while one commodity is removed partially. Some of the names in the list of essential commodities are as follows;

1. Petroleum and its products, including petrol, diesel, kerosene, solvents, Naphtha, etc
2. Food items, edible oils and seeds, vegetables, pulses, paddy, sugarcane and its products such as khandasari and sugar, etc.
3. Jute and Textiles
4. Fertilizer (Restrictions on transfer and stock of fertilizers apart from prices)
5. Hand Sanitizer and Mask

The center can add new items whenever needed and remove them from the list if the situation improves. Therefore, the commodities mentioned above can also be deleted.

The Essential Commodities Act, 1955 is a law which prohibits shopkeepers from storing and black marketing of essential commodities. Recently, the Central Government has notified order under the Essential Commodities Act to declare masks and hand sanitizers as Essential Commodities up to till further ID-19 impact. This notification will prohibit the black marketing and hoarding of these two essential commodities.

Punishment under the Essential Commodities Act,1955

The States or Union Territories may take action against the offenders under the Essential Commodities Act,1955 and Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, (PBMMSEC Act), 1980.

An offender under the Essential Commodities Act,1955 may be punished with imprisonment up to 7 years or fine or both and under the PBMMSEC Act, he can be detained for a maximum of 6 months.