



# भारत का राजपत्र

# The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 3—उप-खण्ड (ii)

PART II—Section 3—Sub-section (ii)

प्राधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 149]

नई दिल्ली, सोमवार, फरवरी 12, 2007/माघ 23, 1928

No. 149]

NEW DELHI, MONDAY, FEBRUARY 12, 2007/MAGHA 23, 1928

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्रालय

(उपभोक्ता मामले विभाग)

अधिसूचना

नई दिल्ली, 12 फरवरी, 2007

का.अ. 184(अ).—केंद्रीय सरकार, आवश्यक वस्तु (संशोधन) अधिनियम, 2006 (2006 का 54) की धारा 1 की उप-धारा (2) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए 12 फरवरी, 2007 को उस तारीख के रूप में नियत करती है जिसको उक्त अधिनियम प्रवृत्त होगा।

[फा. सं. 26(1)/2004-ईसीआर एंड ई (जिल्द III)]

अलका सिरोही, अपर सचिव

MINISTRY OF CONSUMER AFFAIRS, FOOD AND  
PUBLIC DISTRIBUTION  
(Department of Consumer Affairs)

NOTIFICATION

New Delhi, the 12th February, 2007

S.O. 184(E).—In exercise of the powers conferred by sub-section (2) of Section 1 of the Essential Commodities (Amendment) Act, 2006 (54 of 2006), the Central Government hereby appoints the 12th February, 2007 as the date on which the said Act shall come into force.

[F. No. 26(1)/2004-ECR &amp; E (Vol. III)]

ALKA SIROHI, Addl. Secy.



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग II—खण्ड 1

PART II—Section 1

प्रधिकार से प्रकाशित

PUBLISHED BY AUTHORITY

सं. 62 ]

नई दिल्ली, मंगलवार, दिसम्बर 26, 2006 / पौष 5, 1928

No. 62]

NEW DELHI, TUESDAY, DECEMBER 26, 2006 / PAUSA 5, 1928

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।  
Separate paging is given to this Part in order that it may be filed as a separate compilation.

## MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 26th December, 2006/Pausa 5, 1928 (Saka)

The following Act of Parliament received the assent of the President on the 24th December, 2006, and is hereby published for general information:—

### THE ESSENTIAL COMMODITIES (AMENDMENT) ACT, 2006

No. 54 OF 2006

[24th December 2006.]

An Act further to amend the Essential Commodities Act, 1955.

Be it enacted by Parliament in the Fifty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Essential Commodities (Amendment) Act, 2006.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title  
and  
commence-  
ment.

Amendmen-  
of section

10 of 1955.

2. In the Essential Commodities Act, 1955 (hereinafter referred to as the principal Act), in section 2, clause (a) shall be omitted.

Insertion of  
new section  
2A.

Essential  
commodities  
declaration,  
etc.

3. After section 2 of the principal Act, the following section shall be inserted, namely:—

‘2A. (1) For the purposes of this Act, “essential commodity” means a commodity specified in the Schedule.

(2) Subject to the provisions of sub-section (4), the Central Government may, if it is satisfied that it is necessary so to do in the public interest and for reasons to be specified in the notification published in the Official Gazette, amend the Schedule so as to—

(a) add a commodity to the said Schedule;

(b) remove any commodity from the said Schedule,

in consultation with the State Governments.

(3) Any notification issued under sub-section (2) may also direct that an entry shall be made against such commodity in the said Schedule declaring that such commodity shall be deemed to be an essential commodity for such period not exceeding six months to be specified in the notification:

Provided that the Central Government may, in the public interest and for reasons to be specified, by notification in the Official Gazette, extend such period beyond the said six months.

(4) The Central Government may exercise its powers under sub-section (2) in respect of the commodity to which Parliament has power to make laws by virtue of Entry 33 in List III in the Seventh Schedule to the Constitution.

(5) Every notification issued under sub-section (2) shall be laid, as soon as may be after it is issued, before both Houses of Parliament.’

Amendment  
of section 3.

4. In section 3 of the principal Act, in sub-section (2), in clause (g), the words “or cotton textiles” shall be omitted.

Amendment of  
section 12A.

5. In section 12A of the principal Act, in sub-section (2), in clause (a), sub-clause (i) shall be omitted.

Savings of the  
orders issued  
under section 3.

6. All notifications, orders, directions issued or any appointment made, licence or permit granted under section 3 of the principal Act before the commencement of this Act and are in force, in respect of the essential commodities specified in the Schedule, shall continue to remain in force until and unless it is superseded by any notification, order, appointment made, licence or permit granted or directions issued and it shall be deemed to have been issued under the corresponding provisions of this Act.

## THE SCHEDULE

(See section 2A)

## ESSENTIAL COMMODITIES

(1) drugs.

23 of 1940. *Explanation.*—For the purposes of this Schedule, “drugs” has the meaning assigned to it in clause (b) of section 3 of the Drugs and Cosmetics Act, 1940;

(2) fertilizer, whether inorganic, organic or mixed;

(3) foodstuffs, including edible oilseeds and oils;

(4) hank yarn made wholly from cotton;

(5) petroleum and petroleum products;

(6) raw jute and jute textiles;

(7) (i) seeds of food-crops and seeds of fruits and vegetables;

(ii) seeds of cattle fodder; and

(iii) jute seeds.

K. N. CHATURVEDI,  
Secy. to the Govt. of India.

## The Essential Commodities Act, 1955

(Act No.10 of 1955)<sup>1</sup>

[1<sup>st</sup> April, 1955]

An Act to provide, in the interest of the general public, for the control of the production, supply and distribution of, and trade and commerce, in certain commodities.

BE it enacted by Parliament in the Sixth Year of the Republic of India as follows:-

1. **Short title and extent**—(1) This Act may be called the Essential Commodities Act, 1955.

(2) It extends to the whole of India <sup>2\*\*\*</sup>

2. **Definitions** – In this Act, unless the context otherwise requires, -

<sup>3</sup>[(ia) “Collector” includes an Additional Collector and such other officer, not below the rank of Sub-Divisional Officer, as may be authorised by the Collector to perform the functions and exercise the powers of the Collector under this Act;]

(a) “essential commodity” means any of the following classes of commodities:-

- (i) cattle fodder, including oilcakes and other concentrates;
- (ii) coal including coke and other derivatives;
- (iii) component parts and accessories of automobiles;
- (iv) cotton and woolen textiles;

<sup>4</sup>[(iv a) drugs;

*Explanation*— In this sub-clause, “drugs” has the meaning assigned to it in clause (b) of Section 3 of the Drugs and Cosmetics Act, 1940 (23 of 1940)

- (v) foodstuffs, including edible oil seeds and oils;
- (vi) iron and steel, including manufactured products of iron and steel;
- (vii) paper, including newsprint, paperboard and strawboard;
- (viii) petroleum and petroleum products;

- 
- 1. This Act has been extended to Goa, Daman and Diu by Reg. 12 of 1962, s.3 and Sch., and to Dadra and Nagar Haveli by Reg. 6 of 1963, s. 3 and Sch. 1.
  - 2. The words “except the State of Jammu and Kashmir” omitted by Act 25 of 1968, s. 2 and Sch. (w.e.f. 15-8-1968).
  - 3. Ins. By Act 92 of 1976 s. 2.
  - 4. Ins. By Act 30 of 1974, s. 2.
  - \* Cl. (ia) section 2 is renumbered as cl. (iia) and before cl. (iia) as so renumbered, cl. (ia) is ins. by Act 18 of 1981, s. 3 for fifteen years (w.e.f. 1-9-1982)—See Appendix.

- (ix) raw cotton, whether ginned or unginned, and cotton seed;
  - (x) raw jute;
  - (xi) any other class of commodity which the Central Government may, by notified order, declare to be an essential commodity for the purposes of this Act, being a commodity with respect to which Parliament has power to make laws by virtue of entry 33 in List III in the Seventy Schedule to the Constitution;
- (b) "food-crops" include crops of sugarcane;
  - (c) "notified order" means an order notified in the Official Gazette;
  - <sup>1</sup>[(cc) "order" includes a direction issued thereunder;]
  - <sup>2</sup>[(d) "State Government," in relation to a Union territory, means the administrator thereof;]
  - <sup>3</sup>[(e) "sugar" means-
    - (i) any form of sugar containing more than ninety per cent of sucrose, including sugar candy;
    - (ii) khan sari sugar or bura sugar or crushed sugar or any sugar in crystalline or powdered form, or
    - (iii) sugar in process in vacuum pan sugar factory or raw sugar produced therein.

\* \* \* \* \*

### COMMENTS

- (i) The *sherbet* in question is an essential commodity within the meaning of Sec. 2 of the Act. (*Humdard Dawakhana v. U.O.I.*, AIR 1956 SC 1167).
- (ii) The word 'oil' was used in regard to foodstuff thus it pertains to only edible type of oils and not oils like kerosene (*Tulsidas Modi v. State of Orissa* 1987 Cr. LJ 664).

**3. Powers to control production, supply, distribution, etc., of essential commodities**— If the Central Government is of opinion that it is necessary or expedient so to do for maintaining or increasing supplies of essential commodity or for securing their equitable distribution and availability at fair prices, <sup>3</sup>[or for securing any essential commodity for the defence of India or the efficient conduct of military operations], it may, by order, provide for regulating or prohibiting the production, supply and distribution thereof and trade and commerce therein.

(2) Without prejudice to the generality of the powers conferred by sub-section (1), an order made thereunder may provide-

- (a) for regulating by licenses, permits or otherwise the production or manufacture of any essential commodity;

1. Ins. by Act 36 of 1967, s. 2.

2. Subs. by the Adaptation of Laws (No. 3) Order, 1956, for the former clause.

3. Ins. by Act 36 of 1967, s. 3.

<sup>+</sup> After Cl. (e) of s. 2 cl (f) is ins. by Act 18 of 1981, s. 3 for fifteen years (w.e.f. 1-9-1982)—See Appendix.

- (b) for bringing under cultivation any waster or arable land, whether appurtenant to a building or not, for the growing thereon of food-crops generally or of specified food-crops, and or otherwise maintaining or increasing the cultivation of food-crops generally, or of specified food-crops.
- (c) for controlling the price at which essential commodity may be bought or sold;
- (d) for regulating by licenses, permits or otherwise the storage, transport, distribution, disposal, acquisition use or consumption of, any essential commodity;
- (e) for prohibiting the withholding from sale of any essential commodity ordinarily kept for sale;
- <sup>1</sup>[(f) for requiring any person holding in stock, or engaged in the production, or in the business of buying or selling, of any essential commodity,-
  - (a) to sell the whole or a specified part of the quantity held in stock, or produced or received by him or,
  - (b) in the case of any such commodity which is likely to be produced or received by him, to sell the whole or a specified part of such commodity when produced or received by him,

to the Central Government of a State Government or to an officer or agent of such Government or to a Corporation owned or controlled by such Government or to such other person or class of persons and in such circumstances as may be specified in the order.

*Explanation 1*—An order made under this clause in relation to food-grains, edible oilseeds, or edible oils, may, having regard to the estimated production, in the concerned area, of such food grains, edible oilseeds and edible oils, fix the quantity to be sold by the producers in such area and may also fix, or provide for the fixation of, such quantity on a graded basis, having regard to the aggregate of area held by, or under the cultivation of, the producers.

*Explanation 2*—For the purposes of this clause, “production” with its grammatical variations and cognate expressions includes manufacture of edible oils and sugar;]

- (g) for regulating or prohibiting any class of commercial or financial transactions relating to food stuffs or cotton textiles which, in the opinion of the authority making the order, are, or, if unregulated, are likely to be, detrimental to the public interest;

---

1. Cl. (f) as subs. by Act 28 of 1957, now again subs. by Act 92 of 1976, s.3.

- (h) for collecting any information or statistics with a view to regulating or prohibiting any of the aforesaid matters;
- (i) for requiring persons engaged in the production, supply or distribution of or trade and commerce in, any essential commodity to maintain and produce for inspection such books, accounts and records relating to their business and to furnish such information relating thereto, as may be specified in the order;

<sup>1</sup>[(ii) for the grant or issue of licenses, permits or other documents, the charging of fees therefore, the deposit of such sum, if any, as may be specified in the order as security for the due performance of the conditions of any such licence, permit or other document, the forfeiture of the sum so deposited or any part thereof for contravention of any such conditions, and the adjudication of such forfeiture by such authority as may be specified in the order;]

<sup>2</sup>[(j) for any incidental and supplementary matters, including, in particular, the entry, search or examination of premises, aircraft, vessels, vehicles or other conveyances and animals, and the seizure by a person authorized to make such entry, search or examination.

(i) of any articles in respect of which such person has reason to believe that a contravention of the order has been, is being, or is about to be, committed and any packages, coverings, or receptacles in which such articles are found;

(ii) of any aircraft, vessel, vehicle or other conveyance or animal used in carrying such article, if such person has reason to believe that such aircraft, vessel, vehicle or conveyance or animal is liable to be forfeited under the provisions of this Act.

<sup>3</sup>[(iii) of any books of accounts and documents which in the opinion of such person, may be useful for, or relevant to, any proceedings under this Act and the person from whose custody such books or documents are seized shall be entitled to make copies thereof or take extracts there from in the presence of an officer having the custody of such books of accounts or documents.]

(3) Where any person sells any essential commodity in compliance with an order made with reference to clause (f) of sub-section (2), there shall be paid to him the price therefor as hereinafter provided:

(a) where the price can, consistently with the controlled price, if any, fixed under this section, be agreed upon, the agreed price;

(b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any;

---

1. Ins. by Act 17 of 1961, s. 2.  
 2. Subs. by Act 66 of 1971, s. 2 for cl. (f).  
 3. Subs. by Act 92 of 1976, s. 3, for sub-cl. (iii) (j).



- (c) where neither clause (a) nor clause (b) applies, the price calculated at the market rate prevailing in the locality at the date of sale.

<sup>1</sup>[3A) (i) if the Central Government is of opinion that it is necessary so to do for controlling the rise in prices or preventing the hoarding, of any food-stuff in any locality, it may, by notification in the Official Gazette, direct that notwithstanding anything contained in sub-section (3), the price at which the food-stuff shall be sold in the locality in compliance with an order made with reference to clause (f) of sub-section (2), shall be regulated in accordance with the provisions of this sub-section.

- (ii) Any notification issued under this sub-section shall remain in force for such period not exceeding three months as may be specified in the notification.

(iii) Where, after the issue of a notification under this sub-section, any person sells foodstuff of the kind specified therein and in the locality so specified, in compliance with an order made with reference to clause (f) of the sub-section (20), there shall be paid to the seller as the price therefor-

(a) where the price can, consistently with the controlled price of the foodstuff, if any, fixed under this section be agreed upon, the agreed price:

(b) where no such agreement can be reached, the price calculated with reference to the controlled price, if any;

(c) where neither clause (a) nor clause (b) applies, the price calculated with reference to the average market rate prevailing in the locality during the period of three months immediately preceding the date of the notification.

(iv) For the purposes of sub-clause (c) of clause (iii), the average market rate prevailing in the locality shall be determined by an officer authorized by the Central Government in this behalf, with reference to the prevailing market rates for which published figures are available in respect of that locality or of a neighboring locality; and the average market rate so determined shall be final and shall not be called in question in any court.]

<sup>2</sup>[(3B) Where any person is required to, by an order made with reference to clause (f) of sub-section (2), to sell to the Central Government or a State Government or to an officer or agent of such Government or to a Corporation owned or controlled by such Government, any grade or variety of food grains, edible oilseeds or edible oils in relation to which no notification having been issued, has ceased to be in force, there shall be paid to the person concerned, notwithstanding anything to the contrary contained in sub-section (3), an amount equal to the procurement price of such foodgrains, edible oilseeds, or edible oils,

1. Ins. By Act 13 of 1957, S.2

2. Subs. By Act 92 of 1976, s. 3 for former sub-section (3B).

as the case may be, specified by the State Government, with the previous approval of the Central Government having regard to —

- (a) the controlled price, if any, fix under this section or by or under any other law for the time being in force for such grade or variety of foodgrains, edible oilseeds or edible oils;
- (b) the general crop prospects;
- (c) the need for making such grade or variety of foodgrains, edible oilseeds or edible oils available at reasonable prices to the consumers, particularly the vulnerable sections of the consumers; and
- (d) the recommendations, if any, of the Agricultural Prices Commission with regard to the price of the concerned grade or variety of foodgrains, edible oilseeds or edible oils.].

<sup>1</sup>[(3C) Where any producer is required by an Order made with reference to clause (f) of sub section (2) to sell any kind of sugar (whether to the Central Government or a State Government or to an officer or agent of such Government or to any other person or class of persons) and either no notification in respect of such sugar has been issued under sub-section (3 A) or any such notification, having been issued, has ceased to remain in force by efflux of time, then, notwithstanding anything contained in sub-section (3) there shall be paid to that producer an amount therefor which shall be calculated with reference to such price of sugar as the Central Government may, by order, determine, having regard to-

- (a) the minimum price, if any, fix for sugarcane by Central Government under this section;
- (b) the manufacturing cost of sugar;
- (c) the duty or tax, if any, paid or payable thereon; and
- (d) the securing of a reasonable return on the capital employed in the business of manufacturing sugar

and different prices may be determined from time to time for different areas or for different factories or for different kinds of sugar.

*Explanation.-* For the purposes of this sub-section, “producer” means a person carrying on the business of manufacturing sugar.]

(4) If the central Government is of opinion that is necessary so to do for the maintaining or increasing the production and supply of an essential commodity, it may, by order, authorize any person (hereinafter referred to as an authorized controller) to exercise, with respect to the whole or any part of any such undertaking engaged in the production and supply of the commodity as may be specified in the order such functions of control as may be provided therein and so long as such order is in force with respect to any undertaking or part thereof,-

- (a) the authorized controller shall exercise his functions in accordance with any instructions given to him by the Central Government, so however, that he shall

