

Immediate

No.S-10/4/2014-ECR&E
Government of India
Ministry of Consumer Affairs, Food & P.D.
Department of Consumer Affairs

Krishi Bhawan, New Delhi
Dated the 13th July, 2015

To,
The Chief Secretaries
(All State Governments/UTs)

Subject - Stock limits on Pulses etc. imposed by the State Governments/UTs - clarification reg.

Sir,

1. I am directed to convey that the Central Government empowers State Governments under Section 3 of the Essential Commodities Act, 1955 by way of issue of Orders, to impose restrictions including stock limits etc., on the internal trade of the essential food items included in the Central Order GSR 104 (E) dated 15.2.2002, so as to check the food inflation and ensure their availability to the general public at reasonable prices. The State Governments have been delegated powers vide Central Order dated 9.6.1978, to take decisions on the restrictions required to check the inflation and submit to this Department for approval of the Central Government, before the decision of the State Government is notified to have a force of law under the Essential Commodities Act.

2. The stock declared for futures trading/Forward Marketing, as per the prescribed procedure under the regulations of the Forward Markets Commission under the Forward Contracts (Regulation) Act, 1952, is to be kept and traded under the FCR Act, 1952. The stock declared for forward trading is kept under the monitoring of the Government agencies in the warehouses registered and regulated by the WDRA is the subject of the FCR Act. The stock limit imposed under the EC Act is to ensure availability of the stock of the commodity meant for trade in the market to ensure its stock availability at reasonable prices. Also the stock limits under the FCR Act are not inconsistent with the Stock Limit Orders issued under Section 3 of the EC Act.

3. In view of the above, the stock limit Orders under the EC Act are not applicable to stock declared for futures trading and kept under the WDRA registered and regulated warehouses. Also that the stock under forward trading is governed by the terms and conditions imposed in the Forward Contracts (Regulation) Act, 1952 or rules, regulations etc prescribed by the competent

authority under that Act, administered by the D/o Economic Affairs, M/o Finance, Govt. of India.

4. It was, therefore, clarified to all the States that any stock kept for forward trading under WDRA in a regulated warehouse (registered by the WDRA) is exempted from stock holding limits under the EC Act, 1955 subject to the condition that these warehouses will publish the information of stocks available with them on real time basis. The position is reiterated once again. The State Governments are requested to ensure no harassment of the traders engaged in the forward trading as above under the domain of the Forward Contracts (Regulation) Act, 1952.

Ends! Letter dt. 14.10.2014.

Yours faithfully,


(Surendra Singh)

Deputy Secretary to the Government of India

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D/o Agriculture & Cooperation, Krishi Bhawan, New Delhi
3. D/o Food Processing Industries
4. Chairman,
Forward Markets Commission, Mumbai
5. Shri Subodh Agrawal, **
Principal Secretary, Food Department, Government of Rajasthan
SSO Building, Room No. 8001 Secretariat, Rajasthan - 302017

** The State Government has not obtained concurrence of the Central Government before issuing the stock limits on pulses this year. It is, therefore, requested that the decision of the State Government be submitted to this Department immediately. Unless it is concurred by the Central Government, the stock limit order is invalid.



(Surendra Singh)

Deputy Secretary to the Government of India