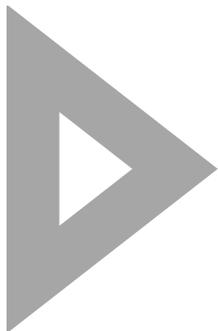
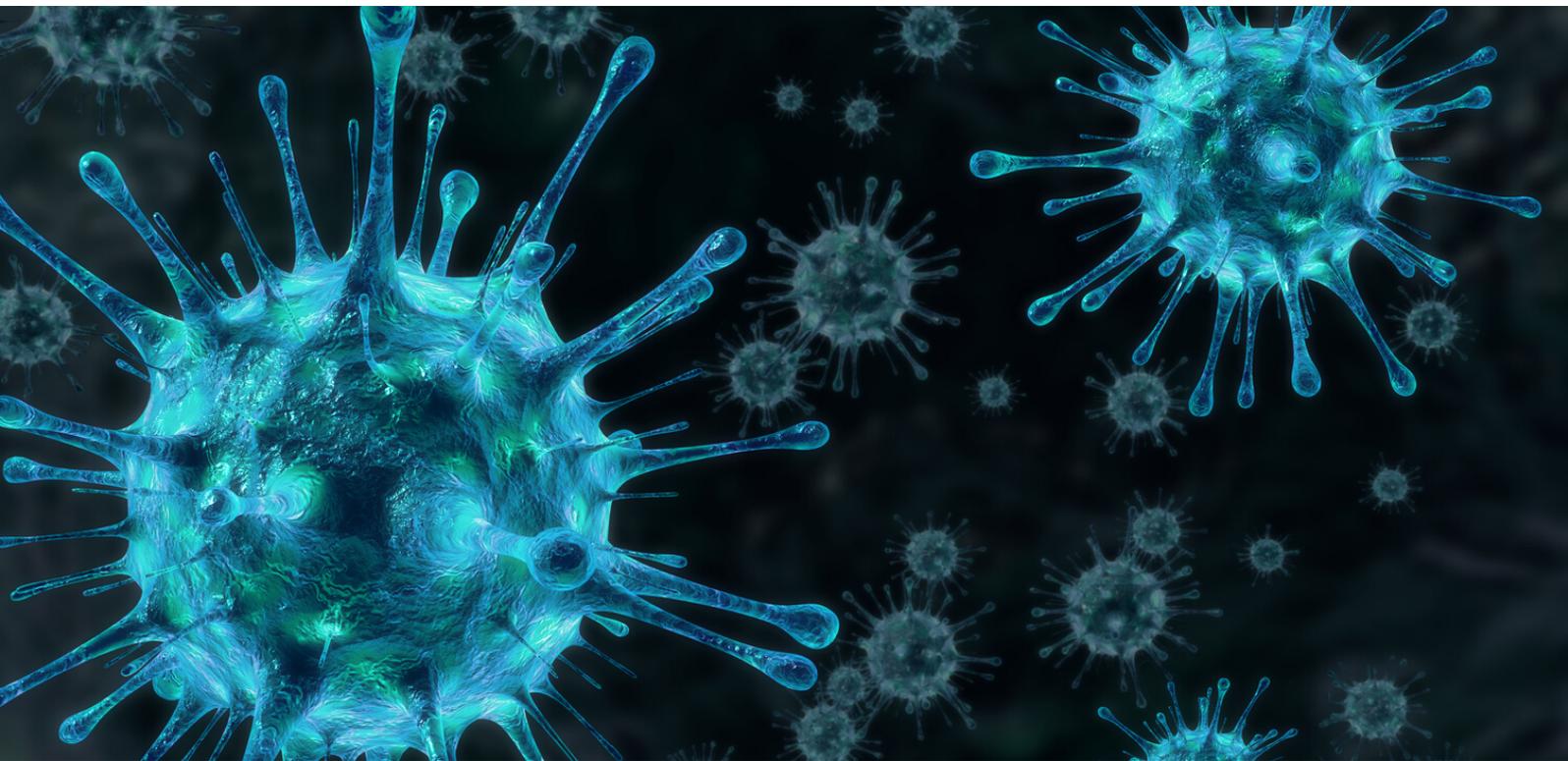


3rd April, 2020

**COVID-19** OUTBREAK  
How About Essential commodities?



Legal intelligence Series-COVID | XII

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# Transport of **Essential Commodities**

What is an **Essential Commodity**?

What is included under essential commodities?

What is the situation during **lockdown period**?

How does the transport sector work?



## Essential Commodities?

The Essential Commodities Act, 1955 was enacted in the interest of general public for the control of production, supply, distribution, trade & commerce of specific commodities.

**Section 2A of the Act mentions that "*essential commodities*" for the purpose of this Act shall mean the commodities as specified under the Schedule of the Act.**

Further, the Central Government if (i) is satisfied and (ii) feels it is necessary to do so in public interest may amend the Schedule to ADD or REMOVE a commodity from the Schedule.

A close-up photograph of a piece of brown, textured paper that has been torn. The word 'Requirements' is printed in a large, black, serif font across the tear. To the right of the tear, a roll of similar brown paper is visible, partially unrolled.

Requirements

**The Schedule under the Act includes-**

- (i) Drugs as defined under the Drugs & Cosmetics Act, 1940;
- (ii) Fertilizer;
- (iii) Foodstuffs;
- (iv) hank yarn wholly made from cotton;
- (v) petroleum and petroleum products;
- (vi) raw jute; and
- (vii) types of seeds.

The Government of India vide **Essential Commodities Order, 2020 dated 13th March, 2020** had declared inclusion of:

**(i) Masks and surgical masks; and**

**(ii) hand sanitizers**, under the Schedule of the Act **upto 30th June, 2020** to ensure smooth availability and sale.

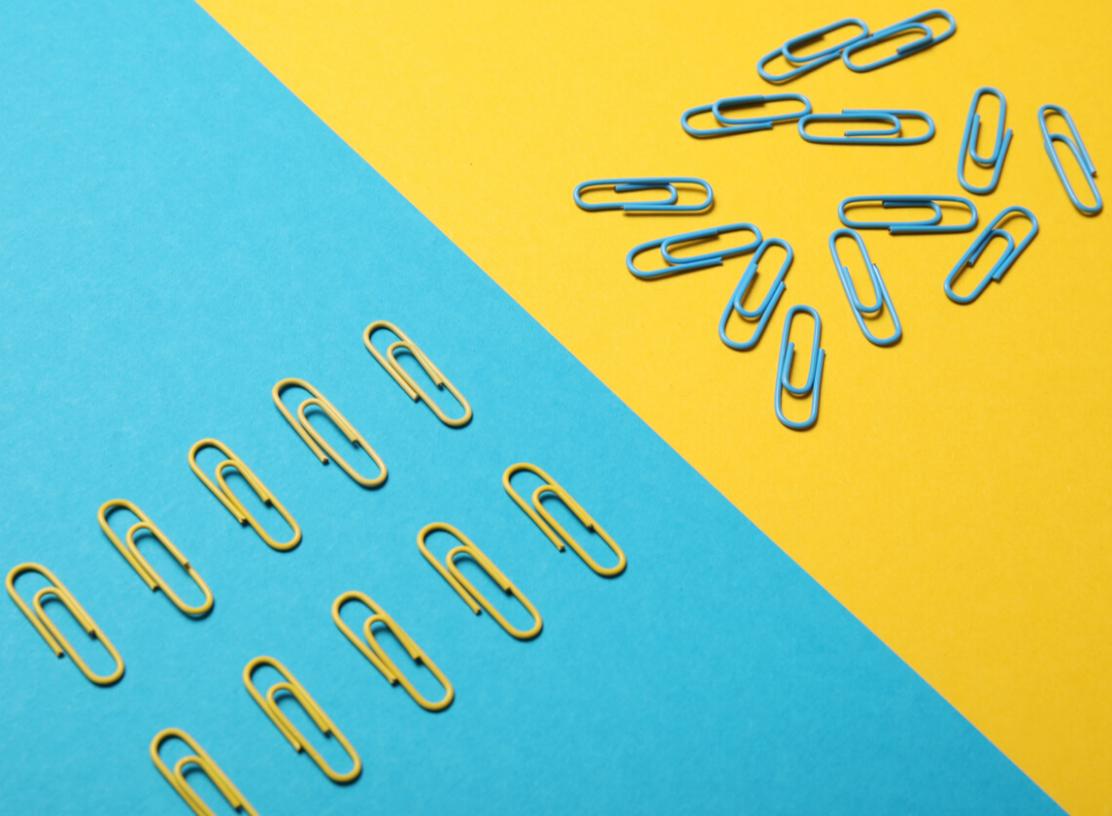
The Government also declared that any offender of the Act shall be liable for an imprisonment of upto 7 years or fine or both.



## What is the situation during the lockdown?

In the situation of outbreak of COVID – 19, the Prime Minister has imposed a nation-wide lockdown for a period of 21 days restricting the movement of people exempting essential commodities.

Further, the **Annexure to the Order No. 40-3/2020-D dated 24.03.2020** issued by the Ministry of Home Affairs ("MHA"), Government of India outlines the Guidelines on the measures to be taken by the respective Ministries and departments for containment of epidemic in the Country.



## How were the guidelines amended?

The Guidelines under **Clause (5)** read with the amendment under **Order No. 40-3/2020-DM-I(A) dated 25.03.2020** (“**Amendment - I**”) mention the exemptions for Industrial Establishments:

1. Manufacturing units of essential goods, including drugs, pharmaceutical, medical devices, their raw material & intermediates; and
2. Production units, which require continuous process, after obtaining required permission from the State Government.

Furthermore, the Guidelines expressly mention under Clause (6) that the Transport Services shall remain suspended during the lockdown with exceptions to:

1. Transportation for essential goods only; and
2. Fire, law and order and emergency services.

The Guidelines as amended vide Amendment - I the following was inserted in order to include:

1. Operations of Railways, Airports and seaports for Cargo movement, relief and evacuation and their related operational organisations; and
2. Inter-state movement of goods/cargo for inland and exports.

Guidelines

## Further Amendments

Thereafter, vide **Order No. 40-3/2020-DM-I(A)** dated 27.03.2020 (“Amendment - II”) the following exemption was added **under Clause (5)**:

*Manufacturing and packaging units of Fertilizers, Pesticides and Seeds.*

**And under Clause (6)**:

*Intra and inter-state movement of harvesting and sowing related machines combined harvester and other agriculture/horticulture implements.*



## Supply chains are impacted:

The supply chains are massively impacted leading to near halt and thus, has aggravated the crisis in the transport sector. This had also stalled the businesses at large.

The Government via Notification No.40-3/2020-DM-I (A) dated 29th March 2020 realised the requirement and thereby relaxed the conditions and permitted the transportation of all essential and non-essential goods.

Now, the exporters are allowed to ship their goods without the mandatory Certificate of Origin ("COO") to help clear the backlog of goods.

Hence, the Government is making every efforts to again streamline the demand and supply in the ecosystem of the economy.

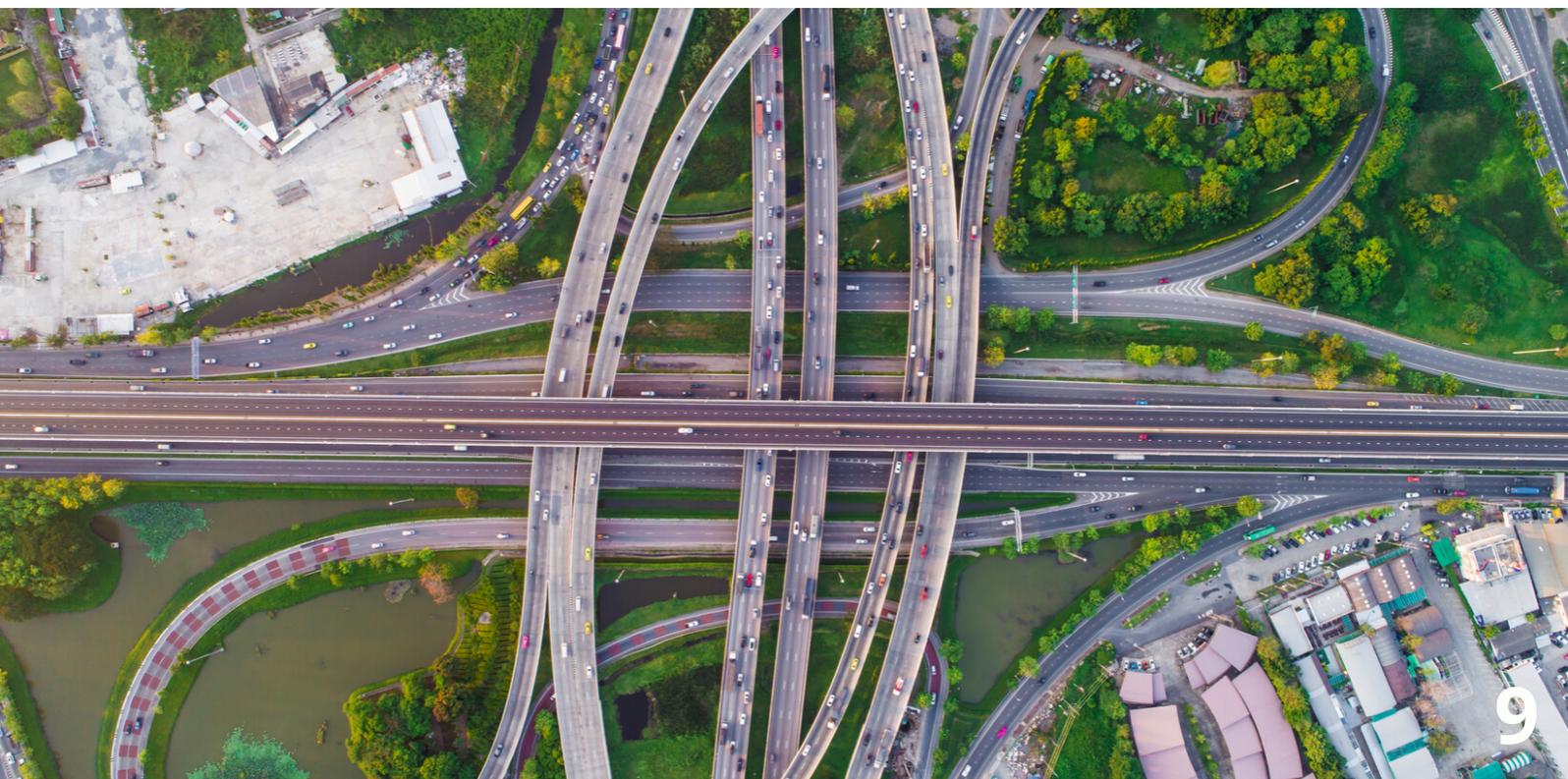


## How does the Transport Sector work?

*After the Notification allowing transportation of goods, the entire logistics sector in an implied manner has been considered as an essential service.*

Further, directions were given to the concerned authorities to make necessary arrangement of issuance of **IDs or Entry Pass so as to facilitate the easy movement of workers engaged in these essential services, including movement of inter- state workers.**

Therefore, in order to implement the containment guidelines issued by the MHA, the District Magistrate will deploy Executive Magistrates as **Incident Commanders** in the respective local jurisdictions for daily monitoring.



It will be the responsibility of the Incident Commander for the overall implementation of such measures in their respective jurisdictions.

Correspondingly, the departmental officials in the specified areas will work under the directions of the Incident Commander. **The Incident Commander will issue passes for enabling movements of the commodities.**

The MHA vide **Circular No. 11034/01/2020-IS-IV dated 24.03.2020** issued directions to ensure unhindered movement of essential goods or services in the State/UTs during the COVID – 19 lockdown.

The Circular states the following:

“While it is imperative to successfully implement the notified lockdown/restrictions. it is also necessary to ensure the unhindered operation of manufacturing, processing, transportation, distribution, storage. trade/ commerce and logistics related to all services/establishments and commodities required for the delivery of essential services. which have been exempted under the various prohibitory orders...”

## Steps taken by the Government:

Further, to ensure continuous supply, the Government has directed to set-up a **24\*7 Control Room with helpline numbers** at State/District/UT level to address grievances or undue problems faced by goods and/or services providers during inter-state movement.

To summarize, the Government has set-up the following in States/UTs:

1. **Nodal Control Room/Office** to coordinate with the District Administration/Police at this level and look after the inter-state borders, issuance of vehicular passes, etc.; and
1. **State Helpline facility** for easy resolution of issues arising to the essential commodity suppliers.



The Ministry of Commerce and Industry vide **Notification No. F-23014/03/2019-E.NG dated 25.03.2020** formalized the setting up of a Control Room in DPIIT to monitor the issues of internal trade, manufacturing, delivery & logistics of essential commodities during the lockdown period.

The Government mentions that if any trader, manufacturer, whole saler, distributor, etc. face any issues regarding transport and distribution of essential goods **or** mobilization of resources, the same shall be informed to:

**Telephone: +91 11 23062487 (functional 8am to 6pm)**

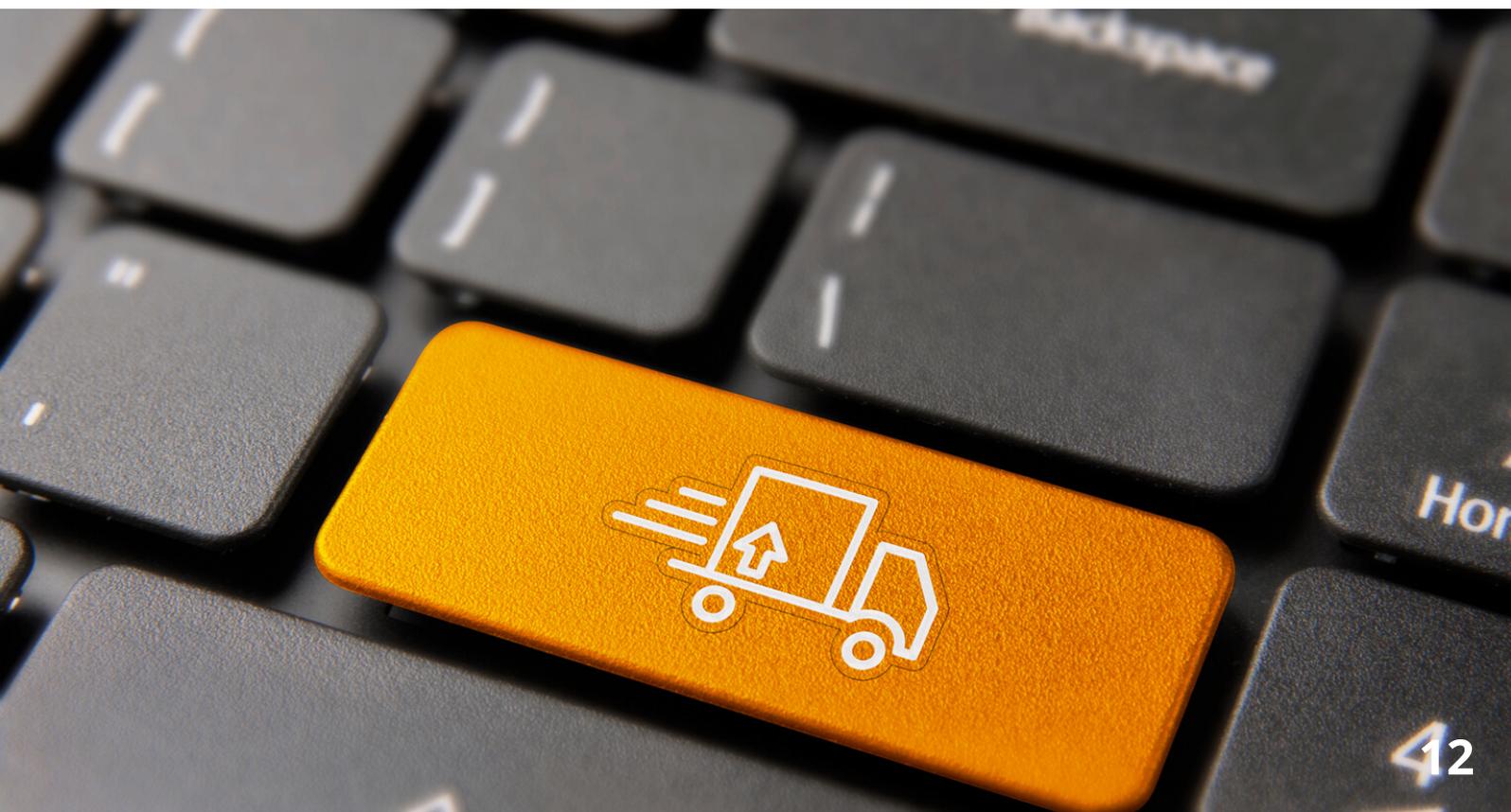
**Email: [controlroom-dpiit@gov.in](mailto:controlroom-dpiit@gov.in)**



The issues then shall be forwarded to the respective State Government, District and Police Authorities and other concerned agencies.

Therefore, to meet the vital needs of the country, the Government during the lockdown period announced strict requirements for a pass in order to allow transportation of goods and gradually kickstarted the logistics sector **irrespective of the goods being essential or non-essential.**

Considering the multiple players required till the final commodity is ready for sale, appointing some market-players to overlook the operations of the small operators will fasten the process of delivery to the consumers.



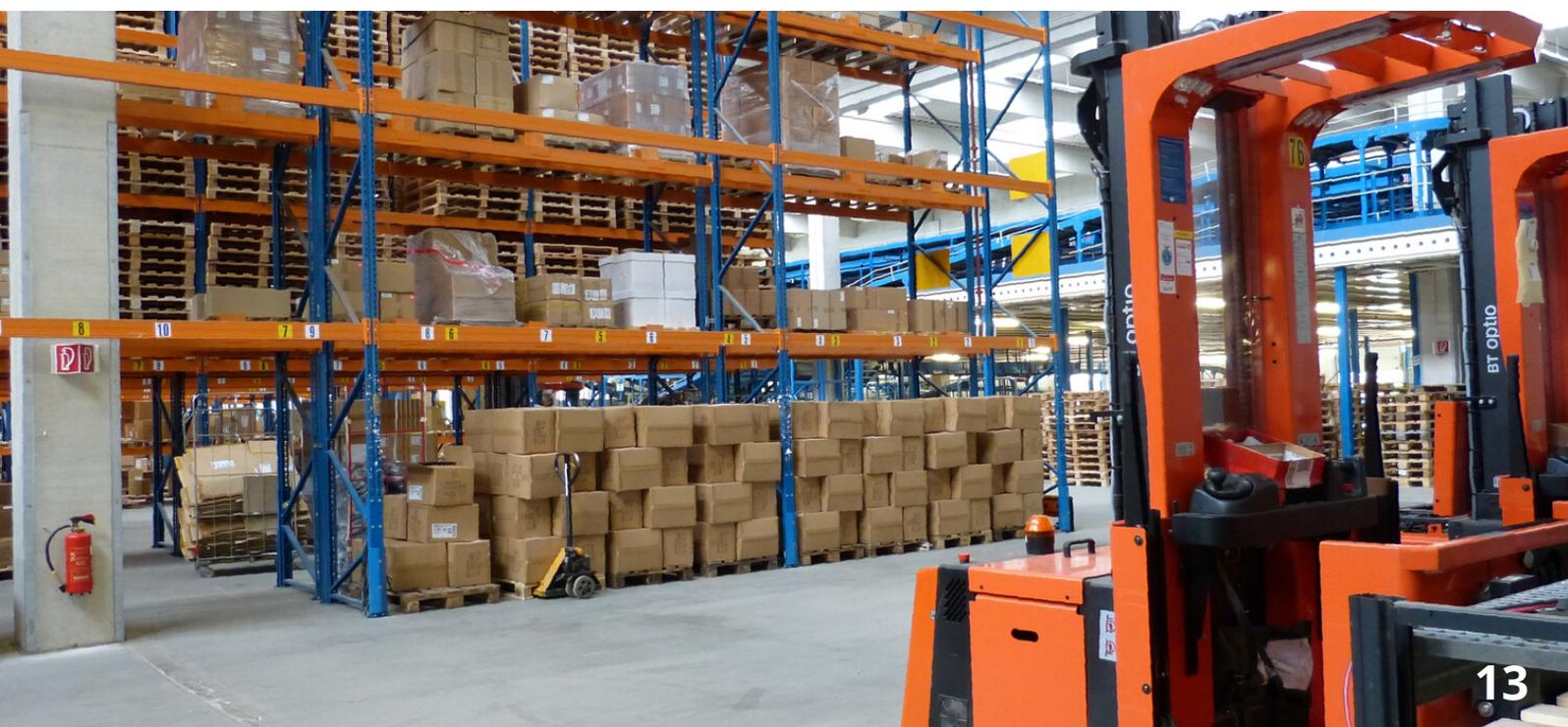
## The need of the hour:

To improve the logistics sector for easy and smooth reach of essential commodities by liberalising and encouraging its movement.

**Therefore, strong logistics and supply chains are pertinent to ensure nationwide access of food and medical supplies.**

The authorities are trying to address and resolve the daily disputes arising before them like the officers in charge holding the trucks carrying essential commodities on the check posts, etc.

The Government has been taking steps to improve the working at the very ground level and ease the supply of essential goods.



## ABOUT US

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