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Title: Discussion on the motion for consideration of the Industries (Development and Regulation) Amendment Bill, 2015 (Discussion concluded).

HON. DEPUTY-SPEAKER: Now, the House will take up Item No. 15, the Industries (Development and Regulation) Amendment Bill, 2015.

Hon. Minister.

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): Sir, I beg to move:

"That the Bill further to amend the Industries (Development and Regulation) Act, 1951, be taken into consideration."

With your permission, I wish to move this Bill for consideration and passing. If there is any need for further details, I can get into the details.

However, I would like to say a few words about the Bill and its importance. Here, we are coming in front of the august House for an amendment in the First Schedule of the Industries (Development and Regulation) Act, 1951, so that we are able to transfer the authority to regulate potable alcohol to States, as was recommended by the Law Commission in its 158th Report. So, the proposal that we have come up with, is the heading 26th of the First Schedule of the Industries Act, 1951, which essentially gives powers to the Union Government in regard to the regulation of the industry be amended to read as under. The Amendment that we are wishing is 26 to read as "Fermentation Industries (other than potable alcohol), the existing words are "Fermentation Industries (1) alcohol; (2) other products of fermentation industries", that we want to change as "Fermentation Industries (other than potable alcohol)", which actually reflects what the Law Commission's 158th Report states.

The reason why this amendment is now being brought before the House is, all this while, because of the way it was represented as fermentation industries, this was actually subject to a lot of litigation because the First Schedule industry under the Industries (Development and Regulation) Act, in terms of the provisions, has alcohol included under the Union List and the subject 'intoxicating liquors' was included in the State List. So, that was the first ground on the basis of which a lot of litigation was happening.

A constitution bench of the hon. Supreme Court, in the case of M/s. Synthetic & Chemicals, held that the power to issue licences to manufacture, both potable and non-potable alcohol, vested with the Central Government. That was in 1991. Then, subsequently, a Division Bench of the Supreme Court revised that judgement in the Bihar Distilleries Vs. Union of India case, for which the verdict was pronounced on 29th January, 1997. In that, the Supreme Court held that manufacturing alcohol, for potable purposes, shall be under the total and exclusive control of the States in all respects, including the establishment of the distillery and levy of Central Excise Duty and so on.

So, the amendment, actually, should have, immediately, been done. But there was a lot of engagement with the Law Commission and we have taken the Law Commission's recommendations on board. As a result of that, we have now come before this House with the Amendment that the 26th Heading of the First Schedule under the Industries (Development and Regulation) Act, 1951, be read as 'Fermentation Industries (other than potable alcohol)' be considered and passed by this House.

HON. DEPUTY SPEAKER: Motion moved:

"That the Bill further to amend the Industries (Development and Regulation) Act, 1951, be taken into consideration."

SHRI TATHAGATA SATPATHY (DHENKANAL): Mr. Deputy Speaker, Sir, this Bill, that is, the Industries (Development and Regulation) Amendment Bill is coming up after many years because the Supreme Court, in its judgement on 23rd January, 1997 which the hon. Minister just referred to, demarcated the regulation and production of alcohol between Centre and States.

Now, what is the necessity that it has come up today? The most recent happening, of course, - please don't get irked - is the result of the Bihar Election and the newly elected Chief Minister of Bihar Shri Nitish Kumar announcing that he would ban alcohol in the State has acted as a catalyst or as a starter for the Government of India to bring forth this Bill. This is a very small Bill and obviously, if we go into the judgement of the Supreme Court, there is an interesting background to this. Way back in 1997, this case refers to Bihar Distillery and Others *versus* the Union of India and Others. This was pre-meditated at that time that Bihar will remain a party for this major change in the 1951 Act, which provided for development and regulation of certain industries, including metallurgical, telecommunications, transportation and fermentation which includes production of alcohol amongst others. This Act was enacted in 1951 and now we are changing a very small provision that except industrial alcohol, all other alcohol, mostly the ones that are consumed by human beings, will be under the control of the States. If we see this amendment, *prima facie* there is no reason for opposition to this Bill. But my point is, by perpetuating this process, are we not continuing the Licence *Raj* that, obviously, everybody wants to get rid of? It states that separate licences are to be acquired for new industrial undertakings which are mentioned in Schedule I and this Bill gives complete control to the Government to issue or revoke licences if the products do not meet their standards, that is, the State Government's standards, which is good.

Sir, you come from the State of Tamil Nadu which is an industrial and a developed State and you also know that it is time the Central

Government decides and takes positive action to relinquish the holding powers that it has which mess up the governance system of this country.

But there is also another suspicion. Has the ban by the States really helped them in controlling the consumption of alcohol? We have a bright example here. We always, all of us – given an opportunity – look at models, I am talking about State models.

In this instance, obviously the brightest model in the hemisphere today is the Gujarat model. Gujarat has been a dry State, as far as I know, from 1960 till date. But the story in Gujarat is very interesting. Anybody who has travelled to Gujarat – if they do not get swayed by all the publicity that our colleagues in the Treasury Benches are now propagating – and actually looked at the State, it is still having intense poverty. Except pockets of flashing prosperity, it has intense poverty all over the State. Coupled with this poverty, this ban on alcohol has actually damaged the economy of the State and of the people. What is happening in Gujarat is that at every street corner, every bend of the road, you have a hooch dealer, you have a tout, you have somebody. All you have to do is call up that number on the mobile phone and one can get alcohol delivered at home which is not available even in the AAP-ruled State of Delhi. So, what is happening today? Alcohol is available in plenty in all the States which have a ban imposed in those States. The other States which are following suit, I am very doubtful whether they will really be able to handle the mafia that will automatically in developing the trade of illicit alcohol. On one side, there will be the mafia which will have lots of money, lot of muscle power and, on the other side, we have so many instances where young people are having small get together as modern people. You know, many modern people will say, they have parties at home, not political parties. We only know about political parties. But these people have parties at home and in these parties if they are giving out to their close friends some alcoholic drinks, the police comes in, harasses these children, these young people, gets their names, their fathers' and mothers' names, their addresses, their mobile numbers, everything published in the newspaper the next day. It is a torture of the young people who indulge in very simple, private enjoyment in the confines of their own homes. Ban is something that, I do not believe, has actually helped society anywhere.

If we take the case of the US where there was a ban imposed from 1920 to 1933, it was a nation-wide Constitutional ban. If you know the Blues numbers, if you hear any of the songs or poetry of that era, all of them are stories of sadness and are heart-rending stories which tell you how families had broken up, how the mafia tortured people, how people were harmed by these bands.

So, *per se*, I support the Industries (Development and Regulation) Amendment Bill, 2015. We do not oppose it. But, it is also the bounden duty of the Central Government to advise the States and to assist them that they should not impose bans on alcohol. If they do, then we have to set up a system in the neighbouring States that alcohol also is not available for import into those States which have imposed the ban on alcohol which will eventually be based on the potable alcohol which you are handing over as a responsibility to the States.

As the hon. Minister of Parliamentary Affairs said, I have no interest in alcohol and I am a person opposed to the alcohol lobby. I think it harms the health and it harms the thinking process of the youth. So, I am not supporting alcohol in any way. But, on the other hand, in my villages, when I go to my constituency, people, old people, vulnerable people use to smoke marijuana. They use to smoke natural marijuana. Today, by imposing ban on natural substances, which people have been using for ages from the times of Lord Shiva or may be earlier than that, we have actually forced a lot of these people to move on to alcohol. *Bhang* was a very common intoxicant in a holy city of Puri. You could get it on the roadside. It was legally available there. It is available in Varanasi also. You have made it illegal and it has been replaced by alcohol. You can see today the crime rate, the number of rapes, the number of burglaries, the number of violent incidents. We have heard that during the Bihar elections one of the strongest parties, which had very high hopes of forming Government in Bihar, has distributed alcohol in truckloads to people. I am not naming any party. People drank the alcohol merrily and spoiled their health but after realising that it is bad for them and that these people are giving them bad stuff they voted elsewhere. We saw the results also.

So, Sir, I would suggest that if at all alcohol is to be banned, it should not be piecemeal. It should not be only in Bihar. It should be widespread and let people live a natural life. I thank the hon. Minister for handing over powers to the State Governments. I would suggest that the Central Government in totality should look at all the laws and should try to relinquish too much of rein holding. They should allow states to develop their own policies, develop their own abilities and strong points to become prosperous. The Central Government should only play the role of a mediator or an arbitrator and not play the role of a big brother governing from the top.

Thank you very much.

श्री जगदम्बिका पाल (डुमरियागंज): उपाध्यक्ष महोदय, माननीय मंत्री जी ने जो 'द इंडस्ट्रीज (डेवलपमेंट एण्ड रेगुलेशन) अमेंडमेंट बिल, 2015' को सदन के समक्ष प्रस्तुत किया है, उसके बारे में बोलने की आपने मुझे अनुमति दी है, इसके लिए मैं आपको धन्यवाद देता हूँ।

उपाध्यक्ष महोदय, यह विडम्बना है कि लोग कहते हैं कि फलां व्यक्ति टी-टोटलर है। सौभाग्य से, मैं पिछले चालीस-पचास वर्षों से न चाय पीता हूँ, न कॉफी पीता हूँ और मुझे एक ऐसे विषय पर हमारे चीफ विधायक साहब ने कह दिया कि आपको बोलना है। इस बिल के संबंध में माननीय मंत्री जी ने काफी विस्तार से कहा है। माननीय सत्पथी जी ने बिल के साथ-साथ देश के राज्यों में इस पर जो बैन की बात है, या जो नशाबंदी की बात है, उन्हीं उसको पीसगोल में नहीं, बल्कि टोटैलिटी की बात कही है। लेकिन, यह बिल एक ऐसा बिल है, जिसके लिए बधाई देने की बात है। अगर सुप्रीम कोर्ट ने वर्ष 1997 में कोई फैसला किया और पिछले अठारह वर्षों से उस फैसलों को इम्प्लीमेंट करने में या उसके परिप्रेक्ष्य में सरकार को कानून बनाने में अगर वक्त लगा, तो मैं समझता हूँ कि कम से कम यह सरकार उसके लिए बधाई की पात्र है कि चाहे देर से ही यह कानून बन रहा है, लेकिन यह एक दुरूस्त कानून बन रहा है, जिसके लिए मैं माननीय मंत्री जी को और अपनी सरकार को बधाई देता हूँ। यह इसलिए क्योंकि अधिकार वही थे। अगर आज आप देखें तो अभी तक इस एक्ट में जिस फर्स्ट शेड्यूल की बात माननीय मंत्री जी ने कही है कि any industry engaged in the manufacture or production of any of the articles mentioned in each of the following headings or sub-headings, namely fermentation industry - अभी तक फर्मेंटेशन इंडस्ट्री में जो था, वह अल्कोहल था - and other products of fermentation industries. अभी तक इस बिल में पूरे अल्कोहल को, चाहे वह पोटेबल अल्कोहल हो, या इंडस्ट्रियल अल्कोहल हो, दोनों को अल्कोहल की ही परिधि में ही रखा गया था, जबकि अधिकार-क्षेत्र अलग-अलग थे। जो पोटेबल अल्कोहल था, उस पर टैक्सेशन, या उस इंडस्ट्री के डेवलपमेंट, या उस पर रेगुलेशन बनाने का अधिकार राज्यों को ही था। उस प्रक्रिया को करने का अधिकार राज्यों को था।

जहां तक इंडस्ट्रियल अल्कोहल की बात है, फर्मुलेशन में चाहे परफ्यूम हो या कोई और हो, जिस तरीके से फर्मुलेशन इंडस्ट्रीज में आते हैं, उसका अधिकार संघ क्षेत्र को था या गवर्नमेंट आफ इंडिया

को था। इसको लेकर जिस तरह का विवाद था और उस विवाद में मैं समझता हूँ कि यह एक्ट उस संघीय ढांचे को और मजबूत करेगा। जिस तरीके से प्रधानमंत्री मोदी जी ने आने के बाद फोर्टीथ फाइनेंस कमीशन में 32 परसेंट से 42 परसेंट डिवाइडेशन किया। हर राज्य को पांच, दस, ग्यारह हजार या जिस तरीके से राज्यों को संसाधन बढ़ाया है, मैं समझता हूँ कि इस सरकार का पहले दिन से यह एक्टिकोण और लक्ष्य है कि हम इस संघीय ढांचे में केन्द्र सरकार के पास जो बहुत से अधिकार थे, वह राज्यों को वाहे वितीय अधिकार दिए जा रहे हों या इस तरह के टैक्सेशन के अधिकार दिए जा रहे हों, यह पहली बार संविधान की उस मंशा के अनुरूप हमारी सरकार कर रही है। इसके लिए हम अपनी सरकार को बधाई देते हैं।

आज इस एक्ट के आने से जो स्थिति है, जैसा कहा गया कि लॉ कमीशन ने सुप्रीम कोर्ट के फैसले को काफी एग्जामिन किया। लॉ कमीशन के उस फैसले के बाद एल्कोहल को जिस तरीके से उन्होंने रखा था, वह शायद स्टेट के क्षेत्र में आ जाता। इसलिए भी इस एक्ट को बनाने की जरूरत पड़ गई। अगर यह एक्ट नहीं बनता, तो शायद फिर इंडस्ट्रियल एल्कोहल और पोर्टेबल एल्कोहल का जो एक डिमार्केशन होना चाहिए था, वह नहीं होता। It says:

"The recommendation of the Law Commission of India was examined in depth by the Government. If the subject "Alcohol" is taken out of the First Schedule to the Act, both industrial alcohol and potable alcohol would come under the purview of the State Government which is not in consonance with the judgment of the Supreme Court. â€œ"

सुप्रीम कोर्ट ने जो जजमेंट दिया, उसकी एक स्पष्ट मंशा थी कि राज्य के पास जो अधिकार हैं या राज्य को जो टैक्सेशन का अधिकार है, वह राज्य के परल्यू में रहे और गवर्नमेंट ऑफ इंडिया को जो रेग्युलेशन बनाने का अधिकार है या टैक्सेशन करने का या फर्मुलेशन इंडस्ट्रीज के डेवलपमेंट का अधिकार है, तो लॉ कमीशन के उस रिक्मेंडेशन को लिया गया। मैं समझता हूँ कि यह बिल पूरी वलेरिटी कर रहा है। कम से कम इस बिल से राज्यों में और संघ के अधिकार क्षेत्र में जो अभी भ्रम की स्थिति थी, कहीं अधिकार क्षेत्र को लेकर कोई डिस्प्यूट सड़ा होता था या उन मामलों को लेकर कहीं हाई कोर्ट में, सम्मानित उच्चतम न्यायालय में विवाद पैदा होते थे और वर्षों चलते थे। कम से कम इस एक्ट के आने के बाद अब भविष्य में संघ और राज्यों के किसी अधिकार क्षेत्र को लेकर कोई डिस्प्यूट की स्थिति पैदा नहीं होगी, भ्रम की स्थिति पैदा नहीं होगी, लिटिगेशन की स्थिति पैदा नहीं होगी, किसी वाद-विवाद की स्थिति पैदा नहीं होगी। आप जानते हैं कि *delayed justice is denied justice*. यह एक फार्मूला है। मैं समझता हूँ कि वह अपने आप में यह स्पष्ट कर रहा है।

सतपथी जी ने उल्लेख किया कि Bihar Distillery and another versus Union of India and others (AIR 1997 SC 1208) का जो था, तो यह किसी राज्य के लिए एक्ट नहीं बन रहा है कि बिहार के तुनाव या नीतीश जी, किसी राज्य में नशाबंदी या पोर्टेबल लिक्वर को बैन करना, यह उस राज्य के अधिकार का क्षेत्र है। यह केवल राज्य को और अधिकार देने की बात है। जो राज्य के अधिकार में आता है तो भविष्य में राज्यों को यह कठिनाई न हो कि यह राज्य के क्षेत्र में होगा या केन्द्र के क्षेत्र में होगा या संघ के क्षेत्र में होगा। हमारे जो इंडस्ट्रियल एल्कोहल हैं, उसको लेकर भी यह है।

लॉ कमीशन की जो 158वीं रिपोर्ट आई है। जो समय-समय पर फैसलों को एग्जामिन करती है, तो उस परिप्रेक्ष्य में भारत सरकार के लिए या संघ के एक जरूरत हो गई थी कि अब लॉ कमीशन की रिक्मेंडेशन के बाद और सुप्रीम कोर्ट के फैसले के बाद उस फैसले के आधार पर एक कानून बनाने की आवश्यकता थी, जिससे एक वलेरिटी हो। वह स्पष्टीकरण और एक लाइन ऑफ डिमार्केशन स्पष्ट तौर से होगा। जिस एल्कोहल की बात थी, लॉ कमीशन ने रिक्मेंड किया था कि एल्कोहल को रखा जाए, तो उस एल्कोहल को भी डिफाइन किया गया। एल्कोहल केवल एक तरह का नहीं होता है। एक एल्कोहल होता है, जो खूमन बीन कंज्यूम करते हैं, लोग पीते हैं और दूसरा एल्कोहल होता है, जो इंडस्ट्रीज में काम आता है या फर्मुलिंग इंडस्ट्रीज में बहुत जगह उस एल्कोहल की आवश्यकता होती है। इन दोनों इंडस्ट्रीज के डेवलपमेंट के लिए, इन दोनों इंडस्ट्रीज के रेग्युलेशन के लिए या जो अदर प्रोडक्ट्स ऑफ फर्मुलिंग इंडस्ट्रीज हैं, उसके लिए कानून, कैसे कानून बनाएगा, उस अधिकार क्षेत्र का इस एक्ट के माध्यम से लाइन ऑफ डिमार्केशन हुआ है।

मैं समझता हूँ कि वाद-विवाद से नहीं बल्कि सदन सर्वसम्मति से इस बिल को पारित करेगा। इस बिल के आने के बाद राज्यों की आय बढ़ेगी और केन्द्र की भी आय बढ़ेगी। माननीय मंत्री जी ने भी अपने इनिशिएटिव या शुरू में जो उनका इंटीडवटी रिमार्क था, उसमें उन बिन्दुओं की तरफ सदन का ध्यान आकृष्ट किया है, मैं उन्हें दोहराना नहीं चाहता हूँ। निश्चित तौर से, इस बिल के पारित होने से देश के उन राज्यों और केन्द्र के संघीय ढांचे में एक स्पष्ट विभाजन की रेखा होगी और वह राज्यों के हित में होगी और केन्द्र के हित में भी होगी। इसी के साथ में इस बिल का समर्थन करता हूँ। धन्यवाद।

SHRI ANANDRAO ADSUL (AMRAVATI): Hon. Deputy-Speaker, Sir, I stand here to fully support this Industries (Development and Regulation) Amendment Bill, 2015, which has been brought out by the hon. Commerce Minister.

The Amendment is very specific. It is as per the 1997 verdict of 'the Supreme Court in case of Bihar Distillery and another *versus* Union of India and others'; and also as per the Recommendations of the Law Commission. My colleague Shri Satpathy said, it is because of the result of the Bihar Government. It is not so. After the result, there was a UPA Government for so many years.

हिन्दी में कहा जाता है कि देर आये, दुरुस्त आये। हमारी सरकार उन्हें दुरुस्त करने का काम कर रही है। This Amendment is very small that the alcohol is being diverted to the State Government so that the full control of the State Government should be there. It would be in conformity with the judgment of the Supreme Court and also ensure that the industries engaged in the manufacture of alcohol meant for potable purposes shall be under the total and exclusive control of States in all respects.

If you look at the sugar industries, particularly in the State of Maharashtra and Uttar Pradesh, wherever there are sugar industries, you would find a lot of alcohol is also being produced there. That is why 'for the control and other things', it is the State subject. Whatever they have to do, they can just do it.

Only recently, the Bihar Government has announced to ban alcohol in their State. But our experience is that wherever there is a ban of alcohol, there is a lot of alcohol being produced and supplied illegally by mafias. These mafias are supplying spurious alcohol to the common people and poor people, which is very dangerous to their health. We hear so many incidents of many poor people dying after consuming such alcoholic wines etc.

So, if it is kept free, and not banned, the State Government will also get money in the form excise duties; and such incidents of people dying after consuming spurious alcohol would also not happen in future.

In the end, Sir, I would say that though it is a small Amendment yet it is a very important Amendment. With these few words, I fully support this Bill.

Thank you.

DR. RAVINDRA BABU (AMALAPURAM): Hon. Deputy-Speaker, Sir, I am thankful to you for giving me this opportunity to speak on this very important

Bill. On behalf of my Telugu Desam Party, I fully support this Amendment Bill.

But in this Bill, I have some small doubts, which I hope the hon. Commerce Minister would clarify while replying to the debate.

There is a tendency on the part of every States these days to ban alcohol. The alcohol which is mixed with methyl alcohol is consumed and people are dying in large number. Day before yesterday in Andhra Pradesh, there was a big tragedy. In order to give effect to the Supreme Court's Judgement and Law Commission's observations, we always make legislations here. Why do not we make a legislation *suo motu*? Instead of giving effect to the Supreme Court's Judgements, why do we not make legislations? It appears as if Supreme Court is dictating us and we are running the administration as per the Supreme Court's directions. Let us give an impression that the Lok Sabha is supreme. Let us make a law. I am not saying that the law should not be in conformity with the law of the land or Supreme Court's Judgements and directions. That is fine. You can have those things as persuasive or of some advisory nature. To give effect to the Supreme Court's Judgement, we are passing this amendment. Should we give importance to judiciary or should we give importance to the people of the country? They should have the free will to do whatever they like. Instead of mentioning it to give effect to the Supreme Court's judgement, we can also say that the people of India desire to have this amendment or desire to have these types of amendments in the Bill.

Whenever you talk of alcohol, as I said, it is spurious; now, in the GST Bill, there is a lot of talk whether this alcohol should be part of State GST or Central GST or IGST. So, this has already been taken care of by not putting it in a State GST. That means it will go to GST. I do not know what type of benefits the State Government will get when the taxes are not being levied and not allowed to be collected from the State Government except for some licenses having in these manufacturing units.

Another thing is that we have a lot of pollution problems in our country presently because of petrol and diesel emissions. Therefore, there is a proposal all over the world that almost 20 to 30 per cent alcohol is being mixed with petrol so that emission will almost be zero per cent. There is a strong proposal from the Ministry of Petroleum and Natural Gas to allow the alcohol to be mixed with petrol and please give us the quota so that more alcohol can be allotted to the Ministry of Petroleum and subsequently, emissions will come down. It also gives a great relief to the sugar growing farmers. Sugar growing farmers are always at the mercy of sugar industries and lobbyists. Instead of doing like that, if the farmers are given the freedom to sell their alcohol products, molasses and other things to these manufacturers of petroleum and diesel refineries, it will also go a long way in addressing not only the ecological and emission problems but it will also take care of the problems of farmers. Since an alcohol topic has come, it has reminded me that alcohol should also be a part of mixing with petrol and diesel so that emission level will come down.

Last but not least my request always would be, as usual, that let us give an impression to our countrymen that the will of the people – Lok Sabha is supreme than anything in India. It is because we are again writing in the amendment that in order to give effect to the Supreme Court's Judgement, we are legislating. If that line is not there, we are having independent application of mind. We too can make amendment independent of the judiciary.

श्री. मनोज राजोरिया (कन्नौड़-धौलपुर): उपाध्यक्ष महोदय, आपने मुझे इंडस्ट्रीज (ड्रिंकिंग एंड रेगुलेशन) अमेंडमेंट, 2015 पर बोलने का अवसर दिया। देखने में यह एक बहुत छोटा सा अमेंडमेंट है, लेकिन अगर इसकी गहराई में जाते हैं तो भारत सरकार के संघीय ढांचे के बंटवारे को लेकर बहुत लम्बे समय से जो विवाद था, उसे सुलझाने की केन्द्र सरकार की मंशा साफ जाहिर होती है। मैं श्रीमती निर्मला सीतारमण को धन्यवाद और बधाई देता हूँ कि इन्होंने इस विवाद को सुलझाने के लिए इंडस्ट्रीज (ड्रिंकिंग एंड रेगुलेशन) एक्ट, 1951 को फर्स्ट रीडिंग में 19 (डी) को परिवर्तित करके 19 (ई) में समाहित किया है। मंत्री महोदय ने बताया कि इसमें 26थ फर्मेंटेशन इंडस्ट्रीज अदर दैन पोर्टेबल एल्कोहल का सब्सटीट्यूट किया गया है। अभी मेरे एक साथी कह रहे थे कि सुप्रीम कोर्ट के निर्णय के अनुसार बिहार डिस्टिलरी और भारत सरकार के बीच जो विवाद हुआ था और सुप्रीम कोर्ट को इस विषय में एक निर्णय लेना पड़ा था। उन्होंने 20 जनवरी, 1997 को उस वक्त की संघीय सरकार को एक निर्णय दिया था कि इसे लागू किया जाए कि इसके रेगुलेशन बनाने और फर्मेंटेशन के यूनिट्स के साथ पीने लायक जो एल्कोहल है, उसे राज्य सरकार नियंत्रित करेगी या केन्द्र सरकार नियंत्रित करेगी। जो पीने लायक एल्कोहल है उसको राज्य सरकार नियंत्रित करेगी या केन्द्र सरकार नियंत्रित करेगी। उस वक्त सरकारों ने इस चीज पर ध्यान नहीं दिया। मैं मंत्री जी को बधाई देता हूँ, नरेन्द्र मोदी जी की भावना संघीय ढांचे को मजबूत करने का है, इसका इन्होंने सम्मान किया और जल्द से जल्द छोटी-छोटी समस्याओं को सुलझाने के लिए इस बिल को लेकर आए। जब से मोदी जी की सरकार आई है तब से राज्य सरकारों को तरह तरह की शक्तियाँ दी गई हैं, निर्णय लेने के अधिकार दिए हैं, आर्थिक रूप से मजबूत करने का काम भी किया है, इसी दिशा में यह बिल है। पहले इस बिल में अल्कोहल केन्द्र सरकार का विषय था, कुछ इन्टोविस फर्मेंटेशन मेटेरियल स्टेट के पास थे। इस बिल के बाद राज्य सरकारों को बड़ी शक्ति मिलेगी, राज्य अपने राज्यों में डिस्टिलरी यूनिट लगा सकते हैं, मैन्यूफैक्चरिंग यूनिट लगा सकते हैं, अपने टैक्स शुद्ध कर सकते हैं। हमारे साथी सतपथी जी की बातों से लगा कि कुछ राज्यों में बैंक की बात कर रहे थे, माफिया और पुलिस टार्जर की बात कर रहे थे, इस बिल की मूल भावना का इन सब बातों से कोई लेना देना नहीं है। मैन्यूफैक्चरिंग करना या नहीं करना यह राज्य सरकार की विवेक पर छोड़ना चाहिए, वहां की जनता के हित या राज्य इस पर बैंक लगाती है या नहीं लगती, शुद्ध प्रोडक्शन करती है या इम्पोर्ट करती है। वहां की राज्य सरकार स्वतंत्र निर्णय लेगी, वहां की जनता के हित में क्या होना चाहिए। जहां तक माफिया का सवाल है, माफिया वहां खाड़ा होता है जहां आप किसी चीज को दबा कर रख देते हैं वहां अजबेद रूप से काम करने के लिए यह आ जाती है। इस बिल के माध्यम से माफिया नहीं पनपेगा बल्कि खत्म होगा। राज्य सरकारें सक्षम हैं कि इस बिल का सदुपयोग कर सकें और माफिया को समाप्त कर सकें। आपने पुलिस टार्जर का विषय उठाया था, पुलिस राज्य का विषय है, छोटी-छोटी चीजों पर कोई किसी को कैसे भी टार्जर कर सकता है। हमें राज्य सरकारों पर विश्वास करना चाहिए। राज्य सरकार जो भी निर्णय लेगी, अच्छा निर्णय लेगी।

मैं अपना पर्सनल व्यू सदन के सामने रखना चाहूंगा, कुछ राज्य सरकारों ने स्वतंत्र निर्णय लिए हैं उनको इस विषय पर बैंक लगाना या नहीं लगाना है। राज्य सरकार नए रिसेज पैदा कर सकती है। समाज में अल्कोहल के रूप में जो बुराई है उसको किस प्रकार से समाप्त किया जाए, इसके कन्जमेशन को किस प्रकार से कम किया जाए। मैं सभी राज्य सरकारों से अपील करूंगा कि इस बुराई को खत्म करने के लिए मजबूत निर्णय ले और अपने लिए आय के नए स्रोत पैदा करें। मैं इस बिल के समर्थन के लिए पूरे सदन से प्रार्थना करता हूँ कि नरेन्द्र भाई मोदी जी और मंत्री जी की इस मंशा का समर्थन करें।

SHRI P.K. BIJU (ALATHUR): Sir, I am coming from Kerala, the most consuming State in the list of alcohol consuming States. So, we are very happy to include it in the State List.

Mr. Deputy Speaker, Sir, the Industries (Development and Regulation) Amendment Bill, 2015 was introduced in the Lok Sabha on 7th December, 2015. This Bill seeks to amend the Industries (Development and Regulation) Act, 1951. The 1951 Act provides for the development and regulation of certain industries, including metallurgical, telecommunications, transportation, fermentation (which includes the production of alcohol) and among others.

The First Schedule of the Act includes all industries that are regulated under this Act. Sir, this Bill seeks to amend the First Schedule of the Industries (Development and Regulation) Act, 1951 to exclude the production of alcohol for potable purpose from the ambit of the said Act. The

Supreme Court of India in its judgement on February 20, 1997 demarcated the regulation of production of alcohol between the Centre and the States in 'Bihar Distillery *versus* Union of India and others' case. The court ruled that the Centre should regulate the production of alcohol for potable purpose, that is, domestic consumption. The Bill confines to the Supreme Court's decision.

Sir, we have to change the existing system. I would like to ask the hon. Minister what its affect will be on taxation and other things. We are going to introduce GST and alcohol is one of the subjects not covered under it. The Bill also says 'other industrial purpose'. Now, the Ministry of Petroleum and Natural Gas is going to introduce alcohol-diesel and alcohol-petrol, where alcohol will be mixed with diesel and petrol, in order to reduce pollution in this country. It is very difficult. I am a Member in the Standing Committee on Petroleum and Natural Gas and we discussed in detail the introduction of such petroleum products in our country. It is very difficult to transfer them from one State to another. The PSUs approached us and said that it was difficult to hold consultation with all the stakeholders.

We have to change the old law. We have to amend the existing law and introduce new provisions not for the purpose of present only. This applies to all the laws. The Act which we seek to amend is of the year 1951. Yesterday we discussed the Indian Trusts Act of 1886. Whenever we amend any law, we have to change it for few more years, not for the present purpose only. Otherwise, we will have to come again to this House to seek amendment. As we know very well, the process takes a long time to enact a law in the Parliament and to prepare the rules. It takes so much of time. So, I would request the Government that whatever amendment to a law is placed before the House, it should not be to fulfil only the direction of a court. This Bill incorporates and gives effect to the direction of the Supreme Court. The 158th Report of the Law Commission also recommended to bring a change in the existing law.

Whatever comes before the Government, the Government should go through it in a detailed manner. Then only should it propose the amendment so that it may provide a clear direction to the nation.

Sir, this 1951 Act itself gives an advice to the Centre to prepare a Council. So, I would like to know from the Government whether the functioning of the Council is up to the mark. You have a detailed discussion on that as the functioning of the Council is very important. Just changing some sections will not provide the maximum benefit to the nation. So, I would request the Government and the hon. Minister to go through the other sections as well and say that effective functioning of the Council is also very much required to establish the system in a smooth way.

With these words, I conclude my speech. Thank you very much.

श्री प्रह्लाद सिंह पटेल (दमोह) : माननीय उपाध्यक्ष जी, मैं उद्योग विकास विनियमन (संशोधन) विधेयक 2015 के समर्थन में बोलने के लिए खड़ा हुआ हूँ। मैं आज अपने आपको सौभाग्यशाली समझ रहा हूँ। पहली बार मैं इस सदन में 1989 में जीतकर आया था, तब मैंने सदन के रिकार्ड को खंगाला था। हो सकता है एल्कोहल शब्द के बारे में सबकी मान्यता अलग हो। मैं गांव की पृष्ठभूमि से आता हूँ। चाहे डम पावर एल्कोहल बनाएं, चाहे पीने वाली एल्कोहल बनाएं, चाहे स्पिरिटी बनाएं, इस उद्योग के बारे में जो धारणा है या जो परिणाम है, उसके बारे में तमाम बातें हो सकती हैं और बहुत से लोग अपनी बात कह सकते हैं। मैं इतना जानता हूँ कि 1965 के बाद सदन में इस शब्द पर चर्चा नहीं हुई, इस उद्योग पर चर्चा नहीं हुई। यह पहला मौका है जब इस विषय पर चर्चा हो रही है इसलिए मैं सरकार के मुखिया आदरणीय मोदी जी को धन्यवाद देता हूँ उन्होंने बड़ा कदम उठाया है। मैं नहीं मानता कि यह पूर्णता की तरफ है।

महोदय, मैं मध्य प्रदेश से आता हूँ, उस समय मैं संसद सदस्य था। पीने की शराब की बात चल रही है, महुए से शराब बनती थी। यह विधान था। बिना सदन में लाए उसकी जगह पर मोलासिस का स्थान आ गया। उस समय महाराष्ट्र से मोलासिस मध्य प्रदेश में आता था, हमारे यहां शुगर मिल नहीं थी। महाराष्ट्र सरकार की पालिसी थी कि वह राज्य ए ग्रेड का मोलासिस कभी किसी दूसरे राज्य को बेचना नहीं था। आपको आश्चर्य होगा कि राज्य सरकारों के बीच जब मैंने यह मामला उठाया था तब लिखकर आया कि डम लेते तो ए ग्रेड का हूँ लेकिन महाराष्ट्र की पालिसी के आधार पर कागज में बी ग्रेड होता है। यह ऑन पेपर था। दुनिया में बी ग्रेड की खरीद होती है और ए ग्रेड लिखा जाता है। मैं साइंस का स्टुडेंट था इसलिए मुझे पता था कि बी ग्रेड और सी ग्रेड के मोलासिस से अगर शराब बनेगी तो मिथाइल एल्कोहल का परसेंटेज बढ़ेगा और मरने वालों की संख्या बढ़ेगी। अगर एक तिहाई लोग मरेंगे तो दो तिहाई लोग अंधे होंगे। हिंदुस्तान का वर्ष 1990 से लेकर 1993 का इतिहास है, चाहे पंजाब हो, चाहे आंध्र प्रदेश हो, तीन राज्यों में ये घटनाएं घटीं। इसके अलावा एक तिहाई लोग मरे और दो तिहाई लोग अंधे हुए। यह 29% बिगड़ा नहीं, जो अनुमान था वह सही साबित हुआ इसलिए मुझे लगता है कि कुछ चीजें केंद्र के हिस्से में होनी चाहिए।

महोदय, मैं इस विधान के बारे में एक और उदाहरण दूंगा। मैंने दुनिया के इतिहास को देखा है, मैं माननीय मंत्री जी का ध्यान वेकोस्ताविया की ओर दिलाना चाहता हूँ और चाहता हूँ कि इस रिपोर्ट को जरूर देखें। वेकोस्ताविया दुनिया में एकमात्र ऐसा देश है जिसने अपने खर्च से तिवकर का उद्योग शुरू किया। पूंजी सरकार ने दी, उद्योगपतियों को तैयार किया, संरक्षण दिया और विस्तार करने का भी काम सरकार ने किया। वेकोस्ताविया की सरकार को चार साल बाद समझ में आया कि इसका पुनर्निरीक्षण कराने की जरूरत है। इसके लिए समिति बनाई और पूरा आकलन किया गया। दो साल और कुछ महीने समिति को अपनी रिपोर्ट देने में लगे। रिपोर्ट ने निर्णय दिया कि स्वास्थ्य, सुरक्षा, शिक्षा और कानून व्यवस्था में जो नुकसान हुआ है वह आय से दो तिहाई ज्यादा है और जो संस्कृति और संस्कारों का नुकसान हुआ है, उसकी कीमत लगाना मुश्किल है। इस तरह वह उद्योग बंद कर दिया गया।

महोदय, जब कानून बनता है तो परिणामों पर बात होनी चाहिए। यहां कई माननीय सदस्य टैक्स के बारे में कह रहे थे। इन सब बातों का ख्याल करना होगा। मैं इस सबके बावजूद सरकार को बधाई इस बात के लिए देता हूँ कि इस चर्चा की शुरुआत हुई है, आज नहीं तो कल डम नशा मुक्ति की तरफ आगे बढ़ेंगे। डम एल्कोहल का उपयोग पीने के बजाय कार्यों में करेंगे। मैं ऐसा विश्वास करते हुए मैं इस बिल का समर्थन करता हूँ और सरकार का अभिनंदन करता हूँ।

SHRIMATI NIRMALA SITHARAMAN: Mr. Deputy-Speaker, Sir, I thank each one of the Hon. Members who have participated in this debate and have given absolutely useful comments for me to take on board.

I wish to first refer to the first speaker, Shri Tathagata Satpathy, who has probably just gone out. He tried to bring a strange relationship with what is happening in Bihar to the introduction of this Bill here. I am very grateful to my colleague, Dr. Manoj, who clearly stated that there is absolutely no connection between that development in Bihar and this Bill. Of course, there is a case, which is the Bihar Distilleries Case, which is part of what we are talking about.

But I just want to broadly draw the timeline to say that after 1997 Judgment of the Supreme Court, it has taken a lot of time for this Bill to come here. Strictly speaking, till 2008, there were continuous litigations even after the 1997 Supreme Court's decision. In 1997, the Bihar Distilleries Case came to an end when the Supreme Court gave its verdict. In 1998, the Law Commission came up with its suggestions. Actually speaking, in 1999 itself, a proposal went to the, then Cabinet talking about amendment which could be brought in, but the then Cabinet was reminded that there was one more case related to Haryana State Government, which was also related to alcohol and related matters. It was then felt, therefore, by the Cabinet that it might as well wait for the result of that particular case, which was disposed of in 2002. However, the Department of Industrial Policy was made a party to it subsequently when there was an appeal in the Court, and it was only in 2008 that, that case got disposed of completely upholding the verdict which was given in the Bihar Distilleries Case -- in other words, upholding the position, that States will have the control over potable liquor.

Like many of the Members of Parliament have said, for which I am very grateful, under the leadership of Shri Narendra Modi, it is the mindset of this Government to share power with the States. It is a continuous process that is happening and this Bill is part of that, that after 2008 that which could have been brought as an amendment like the one which we have brought now has actually waited all this while and in 2015, it is under the leadership of Shri Narendra Modi that this little Amendment, but a very important Amendment, has come on to the floor of this House. I am very grateful to several Members who have invoked that point that this Government under the leadership of Shri Narendra Modi believes in sharing power with the State Governments, believes in Federalism and believes in strengthening the hands of the States, and this Amendment is aimed at taking the power to the States.

I will certainly draw the attention of Dr. Ravindra Babu, Hon. Member from TDP, who has twice in his intervention said that instead of crediting the Supreme Court, it should be treated as an Amendment which is desired by the people of India and, therefore, the Parliament should take the credit for it. It is a very well argued point, and I accept that. But the amendment which is brought here whether in recognition or in following up of the Supreme Court's decision, or in following up of the Law Commission, it is actually happening here. It is not happening anywhere else. It is the will of the elected Members of the House, which is going to pass this. If you are all with me in this, you will pass it; or, you will amend it; or, you will reject it, but it is happening in this House thereby strengthening the hands of the elected representatives and the Parliament, and not necessarily obeying the orders given by the Supreme Court. Yes, we respect the verdict given by the Supreme Court; we respect what has been suggested by the Law Commission, but it is happening here, Mr. Deputy-Speaker, Sir, to which I would like to draw your attention and also duly draw the attention of the Member from the TDP.

Again, I fully agree with the suggestion made by the Hon. Member, Dr. Ravindra Babu, on ethanol mix for energy efficiency and also for the sake of protecting environment.

This Government is taking a lot of steps towards it. In doing so, we are ensuring that farmers get better price for their produce, the cane, whether it is going for crushing for sugar or for a certain portion of it which is going for the production of ethanol. The intention of the Government is, that better price goes to the farmer. So, the point which the Hon. Member has raised is well taken and the Government will certainly appreciate it.

I thank the Member from the Shiv Sena Shri Anandrao Adsul who rose to speak and support this Bill. I also thank the senior Member Shri Jagdambika Pal who identified rightly that it is a part of the process of this Central Government to strengthen the hands of the Government here. However, drawing the attention through you, the Member from the Communist Party Shri P.K. Biju ji, he has referred to aspects of taxation. About the GST, it is known. Whatever is going to happen in the process of getting GST, I do not need to speak about it. But one thing which will have to be very clearly voiced, is that, with this Bill, the Amendment that we are bringing in here is more to define with clarity what is with the State and what is with the Centre. The Central Excise Act will talk about the taxation, taxation related matter. They are not both one over the other; they are not included as one. Here the Bill talks only about what is within the power of the Centre and what is within the power of the State. I do not want to give any impression here that aspects of taxation are being talked. It is certainly not. That will be with the Central Excise Act. At present, the excise duty on potable alcohol is being levied by the State Governments. That comes under a separate Act and is not covered by this one at all.

Shri Prahlad Singh Patel has rightly raised a lot of relevant issues. I hope, eventually alcohol or ethanol which is produced goes towards energy efficiency, goes towards improving our use in the fuel efficiency, in motorable fuel rather than for production of potable alcohol which goes for human consumption, which all of us agree that it does have a detrimental effect on human health.

With these words, I hope, I have made sure that I have addressed the concerns raised by Members; some, who are present here and some others who were earlier present and voiced their concern. I think the Bill needs the unanimous support of all the Members here and the due passing of it.

HON. DEPUTY SPEAKER: The question is:

"That the Bill further to amend the Industries (Development and Regulation) Act, 1951, be taken into consideration."

The motion was adopted.

HON. DEPUTY SPEAKER: The House shall now take up clause by clause consideration of the Bill.

Clause 2 Insertion of new section 29E

HON. DEPUTY SPEAKER: The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 Amendment of First Schedule

HON. DEPUTY SPEAKER: Shri N.K. Premachandran – Not present

The question is:

"That Clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

HON. DEPUTY-SPEAKER: The hon. Minister may now move that the Bill be passed.

SHRIMATI NIRMALA SITHARAMAN: I beg to move:

"That the Bill be passed."

HON. DEPUTY SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted.
