

# Notes and Notifications

**NO. 20(45)/2014-SP-I (PT)**  
**GOVERNMENT OF INDIA**  
**MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION**  
**DEPARTMENT OF FOOD & PUBLIC DISTRIBUTION**

Krishi Bhawan, New Delhi  
Dated the 21st December, 2016

To

The Chief Secretaries of all States,  
(as per list attached)

Subject : Amendment of Industries (Development and Regulation) Act, 1951 to facilitate easier movement of fuel grade ethanol across the country - regarding.

Sir,

The Ethanol Blended with Petrol Programme (EBP) is an important component of National Bio-fuel Programme. Ethanol is a major bio-fuel. EBP offers a renewable energy resource which is indigenous, non-polluting and virtually inexhaustible and its successful implementation would improve the environment and the eco-system and result in saving on oil import bill. To promote this bio-fuel, the Government has scaled up the blending targets from 5% to 10% under EBP.

2. Restriction on movement of ethanol and levying of various taxes and duties by State Government are required to be removed in order to smoothen entire ethanol supply chain and to encourage industry to produce more ethanol. In this context, the Central Government has now amended the I(D&R) Act, 1951 vide notification no. 27 of 2016 dated 14.05.2016 (copy enclosed). As per the amendment, the Central and State powers have accordingly been clearly demarcated. With this, the States can legislate, control and/or levy taxes and duties on liquor meant for human consumption only. Other than that, *i.e.* de-natured ethanol, which is not meant for human consumption, will be controlled/legislated etc. only by the Central Government. Through this amendment, the heading "26 Fermentation Industries" in the first schedule of the IDR Act has been substituted by the heading "26 Fermentation Industries (other than potable alcohol)".

3. Now, all issues pertaining to fermentation industries (other than potable alcohol) such as control over its licensing and regulation of the manufacture, storage, acquisition, possession, use, consumption, transportation, trade and commerce, supply, distribution and its movement including intra state and inter-State movement thereof, and the grant or issue of such licenses, permits or other documents and charging/levying of fees, if any, etc. shall be under the exclusive control of the Government of India. Further, any such control by State Government(s), over the field(s) indicated above, including on intra state or inter-State movement of industrial alcohol (*i.e.* other than potable alcohol), or alcohol for EBP programme, stands repugnant to the amendment, issued by the Central Govt. vide amendment dated 14.05.2016 (No. 27 of 2016) to the I(D&R) Act, 1951.

4. In view of the above, field formations may be suitably instructed to enforce and comply with the said provisions.

Yours faithfully,

Sd/-  
(Subhasish Panda)  
Joint Secretary to the Government of India  
Tel. : 23382625

Copy to :-

1. Secretary, Ministry of Petroleum, and Natural Gas. Shastri Bhawan, New Delhi
2. Secreatry, Deptt. of Industrial Policy & Promotion, Ministry of Commerce and Industry. Udyog Bhawan, New Delhi
3. DG, ISMA
4. MD, NFCSF

# The Gazette of India

EXTRAORDINARY

PART II—Section 1

PUBLISHED BY AUTHORITY

MINISTRY OF LAW AND JUSTICE  
(Legislative Department)

New Delhi, Saturday the 14<sup>th</sup> May, 2016/Vaisakha 24, 1938 (Saka)

The following Act of Parliament received the assent of the President on the 14th May, 2016, and is hereby published for general information:—

## THE INDUSTRIES (DEVELOPMENT AND REGULATION) AMENDMENT ACT, 2016

No. 27 of 2016

(14th May, 2016.)

An Act further to amend the Industries (Development and Regulation) Act, 1951.

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

1. This Act may be called the Industries (Development and Regulation) Amendment Act, 2016. Short title.

65 of 1951

2. In the Industries (Development and Regulation) Act, 1951 (hereinafter referred to as the principal Act), after section 29D, the following section shall be inserted, namely:— Insertion of new section 29E.

"29E, Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, any power exercised, or action taken or done or purported to have been taken or done, by the Central Government or, as the case may be the State Government, shall be deemed to be, and shall always deemed to have been, for all purposes, as validly taken or done or omitted to be done, as if the amendment made to the First Schedule by the Industries (Development and Regulation) Amendment Act, 2016 had been in force at all material times and no suit or claim or other proceeding shall be instituted, maintained or continued in any court, tribunal or other authority as such". Validation.

Amendment of First Schedule.

3. On and from the date of commencement of the principal Act, in the First Schedule, for the heading "26. FERMENTATION INDUSTRIES", the heading "26. FERMENTATION INDUSTRIES (OTHER THAN POTABLE ALCOHOL):" shall be substituted.

DR. G. NARAYANA RAJU,  
*Secretary to the Govt. of India.*

*Digitally signed by RAM DAYAL  
Date: 2016.05.19, 13:47:39+05'30'*