

SC imposes Re1 per litre charge on mineral water, beverage firms

ISLAMABAD: The Supreme Court has imposed a levy on companies selling mineral water and beverages at a rate of Re1 for every litre of surface water extracted by them. The revenue so collected will go to the Diamer-Bhasha and Mohmand dams fund.

Authored by Chief Justice Mian Saqib Nisar, the judgement also required the provincial governments as well as the Islamabad Capital Territory administration to set up separate and distinct accounts to receive the amounts collected under the water charges. The amounts will then be deposited in the SC-created dams fund.

The judgement was issued on a suo motu case pertaining to selling by the companies of water extracted from underground sources without any charge as well as the quality and fitness of the same for human consumption.

The apex court made it clear that the funds so collected would not be diverted in any circumstances to any other purpose other than construction of dams and water-related activities. However, once the dams are constructed, the provincial governments, subject to the order of the apex court, will be at a liberty to utilise the funds collected in the accounts, the judgement said.

The apex court also constituted a special committee, headed by Prof Dr Mohammad Ahsan Siddiqui and comprising representatives of the provincial chief secretaries, director generals of the federal and provincial environmental protection agencies (EPAs) and others, to devise a mechanism for calculation, collection and monitoring of the recovery of water charges from all major industries consuming surface or groundwater. The industries include the energy sector, pulp and paper, cement, sugar, ethanol refineries, textiles, garments, tanneries, petroleum refineries, petrochemical industries and fertilisers.

Amount collected under the water charges to be deposited in the SC-created dams fund

A similar levy has already been imposed on the cement industry.

The committee after consultations will suggest imposing water tariff on these industries, the SC order said.

The apex court directed the federal and provincial governments to ensure installation of foolproof and state-of-the-art metering mechanism at every extraction unit within a period of 30 days. Close-circuit cameras will also be installed at the respective premises of the companies involved in the extraction of groundwater or utilisation of surface water for their business. The extraction will be monitored closely by the respective EPA on a daily basis, the verdict said.

In order to counter environmental impact, the Supreme Court ordered the mineral water and beverage companies to start tree plantation programmes to fulfil their corporate social responsibility. "We expect each company to plant/arrange the plantation of 10,000 trees per annum," the court said, adding that a comprehensive programme would also be put in place to gradually phase out plastic bottles.

In the meantime, it said, it would be ensured that the plastic used for making bottles was certified by competent laboratories as being fit for human consumption.

The bottled water companies are also required to provide a chart highlighting milestones for meeting all the objectives spelt out in the order and will furnish monthly compliance/progress reports with the implementation bench being constituted under the judgement for its perusal and appropriate orders.

“The respective food authorities and the special committee also enjoy the authority to conduct surprise inspections at any time of the factory premises and water bottling/beverage facilities to ensure strict and faithful compliance of this order,” the Supreme Court said.

The implementation bench will take up the matter on Jan 31.

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