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**SC asks govt to explain why legislature not informed about GIDC cases**

ISLAMABAD: The Supreme Court on Monday asked the federal government to apprise it whether parliament had ever been taken into confidence about monetary collection under the Gas Development Infrastructure Cess (GIDC) 2015 levy for the development of the infrastructure of the Iran-Pakistan (IP) pipeline project, and the Turkmenistan-Afghanistan-Pakistan-India (TAPI) Pipeline Project.

In case no such reports were ever furnished before parliament, then the government should also come up with a justification as to why no such information had been laid, when Section 4(2) of the GIDC law commands the presentation of the contours of such expenditures before parliament, says an order dictated by Justice Mushir Alam, who was heading a three-judge SC bench.

The bench, which had taken up the federal government's application regarding the GIDC case, directed the government to furnish the report before the court within a week. These orders were issued when, during the hearing, it transpired that no such report had been presented before the parliament for the past eight years.

Senior counsel Makhdoom Ali Khan, who is also representing a number of CNG stations, stated that the GIDC levy was neither a tax nor a fee but in fact a penalty imposed upon the citizenry. He contended that the federal government had levied a tax through the GIDC Act 2015 without legislative competence since this cess does not fall within Entries 43 to 53 of the Federal Legislative List in the Fourth Schedule that deals with the imposition of taxes.

*Details have not been presented in parliament for last eight years*

Additional Attorney General (AAG) Chaudhry Aamir Rehman, however, requested the court to keep in view the situation that had arisen in FATA and other areas. Still, the court observed that it was the right of the people to ask about the utility of the money they have been paying since 2011.

In a report laid before the SC, the federal government stated that the companies listed in the first schedule of the GIDC Act 2015 were responsible for collecting the cess from consumers at the rates provided for in the law, to be deposited in the government treasury. Out of the GIDC collections, an amount of Rs279.5 billion during 2016 and an amount of Rs207.6bn during 2019 were utilised by Inter State Gas Systems Limited for equity injection in the TAPI project implementation company, the TAPI Pipeline Company Limited (TPCL).

The approval of the environmental authorities of Balochistan and Punjab has already been obtained with regard to the TAPI project, said the report, adding that the initial acquisition activities were already under way. The anticipated first gas flow under phase-I of TAPI is expected in the financial year 2023-24.

Referring to the IP, the report stated that an amendment to the IP-Gas Supply Purchase Agreement had been signed on Sept 5, 2019, whereby the period for limitation application for any claim arising out of any claims under the GSPA has been extended to five years. In response, Iran has withdrawn the “Seller Termination Event” notice, thus the matter of material breach notice has been amicably resolved to avoid potential arbitration. The teams on the job are continuously pursuing a workable solution for the implementation of the project considering the international sanctions on Iran, the report said.

On Sept 6, the federal government – through Attorney General (AG) Anwar Mansoor – had furnished a request before the apex court for the out-of-turn hearing of pending GIDC cases after Prime Minister Imran Khan withdrew the GIDC (Amendment) Ordinance 2019 and directed the AG to move an application for urgent hearing in the SC, so that the matter was decided at the earliest, in accordance with the law and the Constitution.

The matter regarding the GIDC gained attention when the current government promulgated a controversial ordinance with an offer of granting a Rs210bn financial amnesty to big businesses, including the fertiliser and general industry sectors, IPPs, generation companies, K-Electric and the CNG sector, etc.

A statement issued by the PM office had conceded that from Jan 2012 till Dec 2018, the total amount stuck in GIDC litigation has risen to Rs417bn. The government’s application before the SC had stated that the cases relating to the GIDC Act 2015 involve huge sums of government revenue.

The matter has been pending since 2017 and had been filed against the judgement passed by the Peshawar High Court upholding the law, the application had contended. Due to the fact that a huge quantum of government revenue is stuck on account of the ongoing cases, the application said, it was requested that the court take up the cases out of turn.