

Supreme Court verdict on GIDC levy is a 'win-win' case: ministry

ISLAMABAD: The Petroleum Division on Saturday said the Supreme Court judgment in the Gas Infrastructure Development Cess (GIDC) Act-2015 case was a "win-win" situation for both the government and the industry.

Taking a strong note of misleading advertisements appearing in some newspapers about the verdict, the ministry refuted the wrong perception created through them.

In a landmark judgement on August 13, the apex court had rejected the appeals of several companies and directed them to pay Rs417 billion GIDC to the government.

A three-member special bench of the court headed by Justice Mushir Alam and comprising Justice Faisal Arab and Justice Mansoor Ali Shah announced the 78-page verdict on 107 petitions filed by various textile mills, cotton mills, sugar mills, ceramics companies, chemicals, CNG filling stations, match factories, cement companies, and aluminium industries regarding the GIDC levy.

Clarifying the confusion created by the advertisements, the Petroleum Division said, "These advertisements have wrongfully presented the landmark Supreme Court judgment of 13th August 2020 on the GIDC Act 2015."

Through these advertisements, it said, an impression was being created as if the judgment would negatively affect the national economy and that there was no need to collect the outstanding Cess as the already collected amount was sufficient to complete the gas pipeline projects.

"The advertisements erroneously claim that [the] North-South Gas Pipeline project has already been awarded to another country."

The ministry strongly refuted such stories and was of the view that the apex court judgment was a win-win case for both the government and the industry as "it gives an opportunity of six months to the government to start gas infrastructure development projects by utilising the amount collected under this act."

At the same time, the statement added, the judgment had not only stopped collecting the Cess further till spending the already collected amount but also waived off the late payment surcharge and "even allowed 24 monthly instalments to the industry to pay back the outstanding amount".

The Petroleum Division further clarified that it was actively considering all options to launch the North-South Gas pipeline and other projects by evaluating all possible options including international joint ventures.