

Extracted water from ground, Move to impose tax on water aimed at conserving the precious commodity: SC

ISLAMABAD: The Supreme Court on Thursday stated that the purpose of charging Re 1 per liter on extracted water from the ground is not to close the business of bottled water and beverage industry but it is to sensitise people about usage and wastage of water.

A three-judge bench, headed by Justice Umar Atta Bandial, heard a suo motu case regarding selling of bottled water extracted from the ground without any charge and its fitness for human consumption.

Justice Bandial observed that according to environmentalist experts, 66 to 75 percent water is wasted by the bottling companies, which can be used by simple process and treatment. He urged the bottling and the beverages companies to enhance the efficiency instead of asking the court to reduce the price on water.

The bottled water is sold to the stylish people who can pay. Justice Bandial regretted, "Sense of responsibility is vanishing as we are not thinking about the country. We will make sure that the money collected through the extracted water is used for the construction of dams (Diamer & Mohmand)."

"The purpose of imposing tax on water is to control its wastage, because is precious resource and, therefore, we need to preserve it for our future generations," he further said.

Justice Ijaz-ul-Ahsan said rate of Re 1 was a consensus figure, adding this would have to be paid. He directed the additional advocate generals (AAG) of all the provinces and Islamabad Capital Territory (ICT) to pass law so the notification issued under the Local Bodies Act has approval of competent authority in order to be effective. If the meters have not been in any company then the water tax should be on the production record of the industry maintained under the Sale Tax Act, 1990.

The AGs of all provinces informed that the notifications for the registration of bottling and beverage industries have been issued, but the collection is not made.

Additional Advocate General Punjab Qasim Cohan said the amount of bills could not be collected from the bottling and the beverage industries as the Lahore High Court has granted stay order to the companies. Justice Ijaz inquired if the High Court can override the order of the apex court.

Director Irrigation Punjab said that as per the Supreme Court direction, they are charging Re 1 for the extracted water but Rs 1.5 are being charged from those industries whom the water is supplied through pipeline. Justice Ijaz asked the director, "You have created confusion due to that the LHC had granted stay." The judge asked him to appear before the LHC on March 14 (next hearing) to clarify about the rate.

The AAG Khyber Pakhtunkhwa told the bench that there are 36 bottling companies in the province. Out of the total, six companies have been closed as they have not paid the bill, while the industry department has directed to recover water charges from 30 companies. He said for imposing tax there is need of legislation.

The AAG Balochistan informed the bench that notices were issued to the beverage company to deposit Rs 14 million as they did not submit the amount and, therefore, those have been closed.

He said that draft for imposing tax on water is prepared that would be tabled in the assembly for legislation.

The court said water rate should be charged as per water extracted from the ground according the meter reading. The case was adjourned for two weeks.

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