

## National Electric Power Regulatory Authority

ISLAMIC REPUBLIC OF PAKISTAN
Attaturk Avenue (East) Sector G-5/1, Islamabad.
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Consumer Affairs Department

TCD.09/5/36<sub>2025</sub> November 24, 2025

Secretary, Ministry of Energy (Power Division), A Block, Pak Secretariat, Islamabad.

Mr. Shahid Munir Sattar, Secretary General All Pakistan Textile Mills Association (APTMA), Office no. 504(b) APTMA, 5th Floor, Evacuee Trust Complex, Sector F-5/1, Agha Khan Road, Islamabad.

Court Case

Islamabad

Subject:

DECISION IN LIGHT OF ORDER OF THE HONORABLE BALOCHISTAN HIGH COURT, QUETTA IN THE MATTER OF CONSTITUTIONAL PETITION NO. (K) 109 OF 2025 FILED BY DIAMOND INTERNATIONAL CORPORATION LTD & OTHERS VS GOP-MINISTRY OF ENERGY (POWER DIVISION) AND OTHERS REGARDING NON-PROVISION OF ZRI RELIEF KElectric-NHQ-34501-02-24

In pursuance of orders of the Honorable Balochistan High Court, Quetta dated August 27, 2025 in Constitution Petition C.P. No. (K) 109 of 2025; please find enclosed the decision of NEPRA Complaints Resolution Committee (CRC), dated November 24, 2025 for necessary action.

Encl: As above

(Lashkar Khan Qambrani) Director (Consumer Affairs)

Copy to:

- 1. Chief Executive Officer, K-Electric Limited, KE House No 39-B, Sunset Boulevard Phase-II, Defence Housing Authority, Karachi.
- 2. Mr. Javed Iqbal, JS (T&S), Ministry of Energy, Govt. of Pakistan, Block-A, Pak Secretariat, Islamabad.
- 3. Managing Director, Lasbela Industrial Estates Development Authority (LIEDA), Hub Industrial Estate, <u>Hub Lasbela, Balochistan</u>.
- 4. Mr. M. Imran Hussain Qureshi, Chief Regulatory Affairs Officer & Govt. Relations Officer, K-Electric Limited Office, 56 A, Street No. 88, G-6/3, Islamabad.
- 5. Director (Finance), LIEDA, Hub Industrial Estate, Hub Lasbela, Balochistan.



# NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (NEPRA)

## Complaint No. KElectric-NHQ-34501-02-24

Mr. Shahid Munir Sattar, .......... Petitioner Secretary General, M/S All Pakistan Textile Mills Association (APTMA).

### Versus

Ministry of Energy (Power Division)

Chief Executive Officer,

K-Electric Limited, KE House No 39-B, Sunset Boulevard Phase-II, Defence Housing Authority, Karachi.

Lasbela Industrial Estates Development Authority (LIEDA), Hub Lasbela, Balochistan.

& Others

Date of Hearings:

September 30, 2025

October 09, 2025

On behalf of

Petitioner(s):

1. Mr. Asim Riaz, Energy Advisor (APTMA)

2. Mr. Syed Absar Ali, Sr. Economist (APTMA)

Respondent(s):

1.

Mr. Javed Iqbal, JS (T&S)

2. Mr. Muhammad Naeem Jan, JS (PF)

3. Mr. Hisham Humayun, SMC

3. Mr. Asif Shajjer, GM Regulations (KE)

4. Mr. Fareed Ahmed Rajpoot, GM Regulations (KE)

5. Mr. Jam Zahid Shoro, Law Officer (LIEDA)

Subject:

DECISION IN LIGHT OF ORDER OF THE HONORABLE BALOCHISTAN HIGH COURT, QUETTA IN THE MATTER OF CONSTITUTIONAL PETITION NO. (K) 109 of 2025 FILED BY M/S DIAMOND INTERNATIONAL CORPORATION LTD. & OTHERS VS GOP-MINISTRY OF ENERGY (POWER DIVISION) AND OTHERS REGARDING NON-PROVISION OF ZRI RELIEF.

#### DECISION

This decision shall dispose of the complaint/petition referred by the Honorable Balochistan High Court, Quetta in Constitution Petition C.P. No. (K) 109 of 2025; Diamond International Corporation Ltd. & Others, Vs the Ministry of Energy Government of Pakistan & Others wherein the Complainant/petitioner sought Court's intervention to direct NEPRA to decide their complaint.

2. Brief facts of the case are that the All Pakistan Textile Mills Association (APTMA) on behalf of 07 industrial consumers of Lasbela Industrial Estates Development Authority

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Respondents

- (LIEDA) filed a complaint before NEPRA regarding non-provision of Zero-Rated Industries relief. The Complainant submitted that industrial consumers of LIEDA are eligible for ZRI relief in accordance with directions of Government of Pakistan issued vide notification dated January 01, 2019, however, ZRI relief to the industrial consumers of LIEDA is still not provided. The Complainant requested NEPRA that KE be directed for payment of differential amount in accordance with notification dated January 01, 2019 issued by Government of Pakistan.
- 3. The matter was taken up with K-Electric and to proceed further, a hearing was held on March 06, 2024 at NEPRA Head Office Islamabad which was attended by the concerned parties. During the hearing, KE informed that the issue is pending at the end of Ministry of Energy (Power Division). Therefore, NEPRA took-up the matter with Ministry of Energy (Power Division) vide letter dated April 3, 2024, November 06, 2024 and June 05, 2025 whereby Ministry of Energy (Power Division) was requested to look into the ZRI relief claims of industrial consumers of LIEDA at the earliest as per law, however, no conclusive response was received from the Ministry.
- 4. Meanwhile, the Complainant vide C.P. No. (K) 109 of 2025 approached High Court of Balochistan, Quetta for issuance of necessary directions to NEPRA to decide the matter expeditiously. The Petitioners in the petition alleged that similar industries across the country had been granted this relief, however, consumers located in LIEDA (Hub Industrial Trading Estate) had been deprived of the same, despite fulfilling all requisite criteria and despite K-Electric's acknowledgment of their eligibility under the notification S.R.O.12 (1)/2019 dated January 01, 2019. The Hon'ble High Court, vide Order dated August 27, 2025 directed NEPRA for a decision in accordance with law. Operative part of the orders of Court are as follows:
  - "... it is deemed appropriate to direct the concerned authority to decide the said application/claim expeditiously; as such, the Director General (Consumer Affairs), NEPRA is directed to decide the pending application of the petitioners regarding concessional tariff/subsidy claim, expeditiously in accordance with law, after hearing all relevant parties, and keeping in view the Notification S.R.O.12 (1)/2019 dated 01.01.2019 as well as any subsequent applicable policy decisions."
  - The Court further directed that no coercive measures be taken against the petitioners, in relation to the disputed bills till final decision of NEPRA.
- 5. In compliance with the orders of the court another hearing was scheduled for October 09, 2025 at NEPRA Head Office, Islamabad; whereby all concerned parties i.e. Ministry of Energy (Power Division), K-Electric, LIEDA and the Complainants/petitioners were requested to attend the hearing. The said hearing was attended by representatives of KE, LIEDA, the Complainant (APTMA) and representatives of Ministry of Energy (Power Division) wherein the matter was discussed in detail. During the hearing, K-Electric submitted that the claim of ZRI consumers of LIEDA duly verified has been forwarded to Ministry of Energy (Power Division) in light of decision of Economic Coordination Committee (ECC), however, there is no response from Ministry of Energy (Power Division) in this regard. During the hearing, Ministry of Energy (Power Division) was once again requested with a letter dated October 16, 2025 to submit response regarding the claim of ZRI support package of ZRI consumers of LIEDA in light of this office's letter dated April 03, 2024 and subsequent reminders. K.E was also directed to submit case history, detail of correspondence made with the Ministry of Energy (Power Division).
- 6. In response, MoE vide its letter dated October 27, 2025 submitted that the Zero-Rated Industrial Relief (ZRIR) package was extended to industrial consumers of all XWDISCOs and K-Electric. Whereas Industrial Estates are classified as bulk power consumers and accordingly, consumers operating within the estates, are not direct consumers of DISCOs in terms of SRO. 12(1)/2019 dated 1st January, 2019. Further, a summary regarding "Mechanism for granting concessionary tariff to the eligible consumers of Zero-Rated Industrial consumers (ZRI) of LIEDA / Sundar Industrial Estate and prospective Industrial Estates" was submitted on December 10, 2021 to the ECC of the Cabinet, but the proposed mechanism was not approved. Furthermore, the subsidy package

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- was discontinued w.e.f 1st March, 2023, by the Cabinet in terms of decision No. 126/Rule-19/2023 dated 28-02-2023 and letter No. PF-5(02-ZRI)/2020 dated 28th February, 2023.
- 7. The case has been examined in detail in light of the documents placed on record, arguments advanced by the parties and applicable law. The following are the salient features of the case:
  - (i) The petitioners are the ZRI consumers of Lasbela Industrial Estates Development Authority (LIEDA). The petitioners are aggrieved with nonprovision of ZRI relief announced by the Government of Pakistan.
  - (ii) Ministry of Energy (Power Division) vide letter No. PF/Tariff/LIEDA/2020 dated 28-12-2021 communicated the decision of Economic Coordination Committee (ECC) dated 10-12-2021 to the stakeholders including LESCO and KE for further necessary action. The decision of the ECC is reproduced hereunder:

ECC of the Cabinet Decision No. 429/42/2021 dated 10.12.2021 (Item No. 6) "The Economic Coordination Committee (ECC) of the Cabinet considered the summary dated 22<sup>nd</sup> November, 2021 submitted by the Power Division regarding "Mechanism for Granting Concessionary Tariff to the Eligible Consumers of Zero-Rated Industrial Consumers (ZRI) of LIEDA and Sundar Industrial Estate and for prospective Industrial Estates" and did not approve the proposed mechanism particularly the role of Provincial Governments in verification of consumption data/metering and flow of approved subsidies. Power Division was directed to ask LESCO & KE to install their meters for verification purposes whereas the subsidy may be provided directly through LESCO & KE".

- (iii) Subsequently, LESCO vide letter dated 04-02-2022 solicited advice of NEPRA to proceed further in light of decision of ECC regarding provision of ZRI relief to the industrial consumers operating in Sundar Industrial Estate (SIE), Punjab Industrial Estate Development & Management Company (PIEDMC) which is a single point consumer of LESCO. Accordingly, NEPRA vide letter No. NEPRA/DG (CAD)/TCD-05/6791-96 dated April 29, 2022 issued clarification to LESCO. According to the said letter of NEPRA, LESCO was clarified that already installed meters may be utilized after verification of their accuracy and Zero Rated Industries be provided the required relief through separate arrangement by LESCO through SIE.
- Ministry of Energy (Power Division) is of the view that ECC did not approve provision of ZRI relief to the industrial consumers. However, the plain reading of the ECC decision is clear regarding provision of relief to the Zero Rated Industrial consumers whereby Power Division was directed to ask LESCO and KE to install their meters for verification purposes whereas the subsidy may be provided directly through LESCO and KE. Accordingly, KE installed meters at the ZRI consumers of LIEDA subject to the decision of ECC. Moreover, the ECC decision also reflects that the subsidy was to be granted through KE. This reveals that the ECC considered provision of ZRI relief to the eligible consumers of LIEDA. In view thereof, the argument of Ministry of Energy (Power Division) is baseless that ECC did not approve provision of ZRI relief.
- (v) It was further observed that the issue primarily relates to implementation of the Federal Government's decision regarding subsidized tariff for zero-rated sectors, which involves fiscal allocation and inter-ministerial coordination between the Ministry of Energy (Power Division) and the Ministry of Finance. Therefore, the matter essentially lies within the policy and fiscal jurisdiction of the Federal Government.
- 8. Foregoing in view and in compliance with the directions of the Honorable High Court of Balochistan, the following is concluded:
  - i. The implementation and provision of Zero-Rated Industrial (ZRI) tariff relief is domain of Federal Government which is dealt by Ministry of Energy (Power Division) and Ministry of Finance.

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- ii. The Petitioner(s) should have requested the Honorable Court for passing orders for the Federal Government i.e. Ministry of Energy (Power Division) and Ministry of Finance instead of NEPRA for provision of the ZRI relief.
- iii. NEPRA has already requested Ministry of Energy (Power Division) for processing of ZRI relief to eligible consumers of LIEDA in light of decision of ECC.
- Ministry of Energy (Power Division) is once again requested to expedite the case iv. of ZRI relief of consumers of LIEDA.
- LIEDA may re-forward their claim to Ministry of Energy (Power Division). v.
- Foregoing in view, the petitioner(s) are advised to approach Ministry of Energy (Power Division) to pursue the matter further for expeditious resolution of their subsidy claim. The case is disposed of in the above terms.

(Lashkar Khan Qambrani)

(Muhammad Irfan ul Hag)

Thellage

Member, Complaints Resolution Committee/ Member, Complaints Resolution Committee/ Legal Advisor (CAD)

Director (CAD)

(Naweed Illahi'Shaikh)

Convener, Complaints Resolution Committee /

Director General (CAD)

Islamabad, November 24,2025.