

**IMPOSITION OF ELECTRICITY DUTY**  
**THE WEST PAKISTAN FINANCE ACT, 1964**

[ACT XXXIV OF 1964]

[22<sup>nd</sup> March, 2006]

<b>CONTENTS</b>
-----------------

1. **Electricity Duty Section 13**

**FIFTH SCHEDULE**

2. **Rates Of Electricity Duty**

**SIXTH SCHEDULE**

3. **Exemptions from electricity duty**

4. **Rates of electricity duty in Punjab province**

5. **Rates of electricity duty in sindh province**

6. **Enhancement of electricity duty Punjab finance ordinance, 1978**

**WEST PAKISTAN FINANCE ACT (BALOCHISTAN AMENDMENT ACT)**

**ACT [VII OF 1974]**

7. **Short title, commencement and extent.**

8. **Enhanced Electricity Duty**

**THE WEST PAKISTAN ELECTRICITY DUTY RULES, 1964**

9. **Short title, extent and commencement.**

10. **Definitions.**

11. **Reading of meters**

12. **Adjustment**

13. **Time and manner of collection and payment**

14. **Keeping of books of accounts**

15. **Submission of returns**

16. **Inspection of books of accounts**

17. **Power for entry and inspection**

18. **Provisions of special meters**

19. **Settlement of disputes and imposition of penalty.**

20. **Application of Rules in the case of generation, use and supply of energy by a person other than a licensee**

# IMPOSITION OF ELECTRICITY DUTY

## THE WEST PAKISTAN FINANCE ACT, 1964

[ACT XXXIV OF 1964]<sup>1</sup>

[22<sup>nd</sup> March, 2006]

As Amended By West Pakistan Finance Ordinance of 1969 [Provisions About Levy Of Electricity Duty

Section 13 of the West Pakistan Finance Act, 1964, which levied Electricity Duty with effect from 1st July, 1964, is, reproduced below. In this connection, reference may also be made to the West Pakistan Electricity Duty Rules, 1964:—

### IMPOSITION OF ELECTRICITY DUTY W. P. FINANCE ACT, 1964

#### 13 Electricity Duty.—

(1) From first day of July, 1964, there shall be levied and paid to Government, on the units of energy consumed for the purposes specified in the first column of the Fifth Schedule, excluding losses of energy in transmission and transformation, a duty (hereinafter referred to as Electricity Duty) at the rates specified in the second column of that Schedule:

Provided that Electricity Duty shall not be leviable on the energy consumed by, or in respect of the consumers enumerated in the Sixth Schedule, except to the extent specified therein:

Provided further that for reasons to be recorded, Government may, by notification in the official Gazette, exempt any other consumer or class of consumers from the operation of this section.

**Explanation.**— In this section, unless there is anything repugnant in the subject or context

- (a) "Consumer" means any person, other than a distributing licensee who is supplied with energy by licensee;
- (b) Energy means electrical energy when generated, transmitted, supplied or used for any purposes except transmission of a message;
- (c) "licensee" means any person licensed under Part II of the Electricity Act, 1910 (Act XI of 1910), to supply energy and includes any person who has obtained the sanction of the Government under section 28 of that Act.

(2) Every licensee shall collect and pay to the Government, the Electricity Duty under this section in such manner as may be prescribed. The duty so payable shall be a first charge on the amount recoverable by the licensee for the energy supplied by him and shall be a debt due by him to the Government

#### **Provided that:**

- (i) The licensee shall not be liable to pay the duty in respect of any energy supplied by him for which he has been unable to recover his dues;
- (ii) the licensee shall be entitled, for his cost of collection of the duty, to a rebate of such percentage as may be determined by the Government, on the amount of the Electricity Duty collected and paid by him under this sub-section

(3) Where any person fails or neglects to pay the amount of Electricity Duty due from him, the license may, without prejudice to the right of Government to recover the amount under section 3 of the West Pakistan Government Dues Recovery Ordinance, 1962, discontinue to supply energy to him and for this purposes exercise the powers conferred on a licensee by sub-section (1) of section 24 of the Electricity Act, 1910, for recovery of any charge or sum due in respect of energy supplied by the licensee

---

<sup>1</sup> To continue in force in Punjab, Sindh, N.W.F.P. and Balochistan under Art, 19 (2), P.O. No.1 of 1970

(4) In the case of energy than that supplied by a licensee, the person generating energy shall pay to the Government the Electricity Duty payable under this section in respect of the energy consumed, in such manner as may be prescribed [for West Pakistan Electricity Duty Rules, 1963, framed in exercise of the powers conferred by *this provision, see infra.*] ..

#### **FIFTH SCHEDULE<sup>2</sup>** **RATES OF ELECTRICITY DUTY**

1. For energy consumed in respect of premises not falling under Article 2 of this Schedule, used for—

- |   |   |
|---|---|
| (a) Residential, office, or commercial purpose,       | Two paise for each unit of energy consumed.       |
| (b) An industrial undertaking.                        | One paise for every two units of energy consumed. |
| (c) Tube wells, irrigation and agricultural machinery | One paise for every two units of energy consumed  |

**Explanation.—** Premises which are used wholly or principally for Carrying on manufacturing processes within meaning of section 2 of the Factories Act, 1934, shall be deemed to be used for an industrial undertaking.

2. For energy consumed in respect of all premises where the supply of energy by a licensee is un-metered

Four paise for every rupees of flat charge realized by he licensee; provided that no duty shall be levied where such a charge does, not exceed Rs. 5 during a month.

#### **SIXTH SCHEDULE<sup>3</sup>**

##### **EXEMPTIONS FROM ELECTRICITY DUTY**

1. Any Government, save in respect of premises used for residential purposes.
2. Any Local Authority, save in respect of premises used for residential purposes.
3. Energy generated by plant having capacity not exceeding 2 1/2 kilowatts.
4. Energy consumed (including losses of energy) in generation, transmission and transformation.
5. Energy consumed in mosques, churches and other places of public worship.
6. Any consumer using not more than 20 units in any one month.
7. Vessels, whether sea-going or inland.

#### **RATES OF ELECTRICITY IN PUNJAB PROVINCE**

For Punjab: For Punjab Fifth and Sixth Schedules of W.P. Finance Act, 1964, were substituted by Punjab Finance Ordinance (XI of 1971) as under:

#### **FIFTH SCHEDULE** **(See section 10)**

1. For energy consumed in respect of premises not falling under Article 2 of this Schedule, used for:

- |  |  |
|--|--|
| (a) Residential; office or commercial purposes.          | Two-and-a-half paise for each unit of energy consumed. |
| (b) An industrial undertaking.                           | One-and-a-half paise for each unit of energy consumed. |
| (c) Tube wells and irrigation and agricultural machinery | One-and-a-half paise for each unit of energy consumed. |

**Explanation.—** Premises which are used

<sup>2</sup> The Fifth Schedule is in the form as subs. By West Pakistan Finance Ordinance, 1969. S.6. Schedule Thr.

<sup>3</sup> 3. The Sixth Schedule is in the form as subs. By West Pakistan Finance Ordinance, 1969, S. 6, Schedule four

wholly or principally for-carrying on manufacturing processes within the meaning of section 2 of the Factories Act, 1934, shall be deemed to be used for an industrial undertaking

2. For energy consumed in respect of all premises where the supply of energy by a licensee is unmetered. Four paisa for every rupees of flat charge realized by the licensee; provided that no duty shall be levied where such a charge does not exceed five rupees during a month.

#### **SIXTH SCHEDULE**

(See section 10)

##### **Exemptions:**

- (i) The Central and the Provincial Government, save in respect of premises used for residential purposes.
- (ii) Such autonomous bodies as may be exempted by Government by means of notification in the official Gazette.
- (iii) Local authorities in respect of public lighting only
- (iv) Mosques, churches and other place of public worship.
- (v) All domestic consumers using not more than 20 units in any one month;
- (vi) Energy consumed (including losses of energy) in generation, transmission and transformation.
- (vii) Energy generated by plants having capacity not exceeding 2 kilowatts

#### **RATES OF ELECTRICITY DUTY IN SINDH PROVINCE**

For Sindh--- For Sindh Fifth and Sixth Schedule of W.P. Finance Act, 1964, were substituted by Sindh Finance Act (I of 1972) as under:

#### **FIFTH SCHEDULE**

(See section 13)

1. For energy consumed in respect of premises not falling under Article 2 of this Schedule, used for:

- |  |  |
|--|--|
| (a) Residential; office or commercial purposes.          | Two-and-a-half paisa for each unit of energy consumed. |
| (b) An industrial undertaking.                           | One-and-a-half paisa for each unit of energy consumed. |
| (c) Tube wells and irrigation and agricultural machinery | One-and-a-half paisa for each unit of energy consumed. |

**Explanation.—** Premises which are used wholly or principally for-carrying on manufacturing processes within the meaning of section 2 of the Factories Act, 1934, shall be deemed to be used for an industrial undertaking.

2. For energy consumed in respect of all premises where the supply of energy by a licensee is unmetered. Four paisa for every rupees of flat charge realized by the licensee; provided that no duty shall be levied where such a charge does not exceed five rupees during a month.

**SIXTH SCHEDULE**  
**(See section 13)**

**Exemptions:**

- (i) The Central and the Provincial Government, save in respect of premises used for residential purposes.
- (ii) Local authorities in respect of public lighting only
- (iii) Mosques, churches and other place of public worship.
- (iv) All domestic consumers using not more than 20 units in any one month.;
- (v) Energy generated by plants having capacity not exceeding 2 kilowatts.
- (vi) Vessels, whether sea-going or inland

**ENHANCEMENT OF ELECTRICITY DUTY PUNJAB FINANCE  
ORDINANCE, 1978**

**1. Amendment of section 13 of the Punjab Finance Act 1964 (W.P. Act No XXXIV of 1964).—** In Punjab Finance Act, 1964, in section 13 for sub section (1), the following shall be substituted namely.

- (i) There shall be levied and paid to Government by a consumer of electricity a Duty (hereinafter referred to as Electricity Duty) at the rate of fifteen per cent of the cost of the electricity chargeable by a licensee:

Provided that Electricity Duty shall not be leviable on the energy, consumed by, or in respect of, the consumers enumerated in Sixth Schedule except to the extent specified therein:

Provided further that, for reasons to be recorded, Government may, by notification in the official Gazette, Exempt any other consumer or class of consumers from the operation of this section.

**Explanation:** In this section, unless there is anything repugnant in the subject or the context:

- a. "Consumer" means any person, other than a distributing licensee, who is supplied with energy by a licensee;
- b. "Energy" means electrical energy when generated, supplied or used for any purpose except the transmission of a message;
- c. "Licensee" means any person licensed under Part II of the Electricity Act, 1910 (Act IX of 1910) to supply energy and includes any persons who has obtained the sanction of the Government under section 28 of that Act."

**WEST PAKISTAN FINANCE ACT  
(BALOCHISTAN AMENDMENT ACT)  
ACT [VII OF 1974]**

(Balochistan Gazette, Extra.)

[10<sup>th</sup> July, 1974]

**AN ACT**

To amend the West Pakistan Finance Act, 1964, in its application to the Province of Balochistan.

**Preamble:** Whereas it is expedient to amend West Pakistan Finance Act, 1964, in its application to the Province of Balochistan: It is hereby enacted as follows;

**1. Short title, commencement and extent.—**

(1) This Act may be called the West Pakistan Finance Act (Balochistan Amendment) Act, 1974.

(2) It shall come in force at once.

(3) It shall extend to the whole of the Province of Balochistan except Tribal Areas.

**2. Enhanced Electricity Duty.—** The Fifth and Sixth Schedules to the [West Pakistan Finance Act, 1964 (West Pakistan Act XXXIV of 1964) as substituted by section 6 of the West Pakistan Finance Ordinance, 1969 (West Pakistan Ordinance VII of 1969) shall be respectively substituted by the Fifth and Sixth Schedules set forth hereunder:

**FIFTH SCHEDULE**  
**(See Section 13)**  
**RATES OF ELECTRICITY DUTY**

1. For energy consumed in respect of premises not falling under Article of this Schedule, used for
  - (a) Residential, office, or commercial purposes. Two and a half paise for each unit of energy consumed.
  - (b) Industrial undertakings, Mines, Oil and Gas-fields. One and a half paise for each unit of energy consumed.
  - (c) Tube-wells, Irrigation and Agricultural Machinery. One and a half. Paise for each unit of energy consumed.
  - (d) Unmetered supply Four paise for every rupee of flat charge realized by the Licensee: provided that no Duty shall be levied where such charge does not exceed five rupees during a month.
  - (e) For energy consumed in respect of all premises where supply is unmetered and no flat rate is applicable.

**Explanation.**— Premises which are used wholly or principally for carrying on manufacturing processes within the meaning of section 2 of the Factories Act, 1934, shall be deemed to be used for an industrial undertaking.

On the estimated working load at site in accordance with 1 (a), (b) and (c) above.

## SIXTH SCHEDULE

(See Section 13)

### EXEMPTIONS FROM ELECTRICITY DUTY

1. The Central and the Provincial Governments save in respect of premises used for residential purposes.
2. Such Autonomous Bodies as may be. Exempted by Government by means of notification in official Gazette.
3. Local Authorities in respect of public lighting only.
4. Mosques, churches and other places of public worship.
5. All domestic consumers not using more than 20 units in any month.
6. Energy consumed (including losses of energy) in generation, transformation and transmission.
7. Energy generated by plants having capacity not exceeding 2½ K.W.

### THE WEST PAKISTAN ELECTRICITY DUTY RULES, 1964<sup>4</sup>

**Notification No. S.O.PP-3/5-64<sup>5</sup>**,— In exercise of the powers conferred on him by clause (iii) and clause (vi) of sub-section (1) of section 17 of the West Pakistan Finance Act, 1964 (West Pakistan Act No. XXXIV of 1964), read with section 13 thereof, the Government of "West Pakistan is pleased to make the following Rules, namely:

1. **Short title, extent and commencement.**—
  - (1). These Rules may be called the West Pakistan Electricity Duty Rules, 1964.
  - (2). They shall come into force at once,
2. **Definitions.**—
  - (a) "Act" means the West Pakistan Act, 1964.
  - (b) "Electric Inspector" means an Electric Inspector appointed under subsection (2) of section 36 of the Electricity Act, 1910;
  - (c) "Electricity Duty" means the Electricity Duty payable under section 13 of the Act;
  - (d) "Form" means a form appended to these Rules;
  - (e) "Government treasury" means a treasury or sub-treasury of the Government, and includes an office, branch or agency of a bank transacting treasury business for and on behalf of Government; and
  - (f) "Inspecting Officer" means an officer appointed by Government to perform the duties and exercise the powers under these Rules.
3. **Reading of meters.**— A licensee shall, in respect of energy liable to. Electricity Duty cause the meter of every consumer to whom he supplies energy to be read, so far as possible, on the same date in each month and record the units of energy consumed in the month. The period between such consecutive readings shall be reckoned as one month for the purposes of calculation of Electricity Duty and submission of returns under Rule 7.
4. **Adjustment.**— In calculating the Duty payable by a consumer, the licensee shall make the same allowance for fast meters, incorrect readings miscalculations due to clerical errors and adjustments or

<sup>4</sup> To continue in force in Punjab, Sindh, N.W.F.P and Balochistan, under Art. 19 (2) P.O. No-1 of 1970

<sup>5</sup> Published Gazette of West Pakistan, Extraordinary, 8<sup>th</sup> Sept. 1964

provisional charges in respect of premises which remain closed, as those made in respect of his own charges.

**5. Time and manner of collection and payment.—**

(1). A licensee shall include the Electricity Duty payable by a consumer as a separate item in the bill of charges for, the energy supplied and shall recover the same from the consumer along with the charges for the supply of energy.

(2). The electricity charges payable on energy consumed between the first day of July, 1964 and the coming into force of these Rules shall, if it has not already been recovered' from the consumer, be included in the monthly bill of charges to be furnished to the consumer under the provisions of sub-rule (1).

(3). The licensee shall, within sixty days of the expiry of the month for which the Duty is levied, deposit the amount of such Duty into a Government Treasury under the head "XIII-Other Taxes and Duties B-Receipt under West Pakistan Finance Act, 1964" and the treasury receipt to the Electric Inspector.

**6. Keeping of books of accounts.—** Every licensee shall maintain and keep up-to-date books of accounts containing the following particular namely.

- (a) Name and address of every consumer to whom the licensee supplies energy with account number.
- (b) Description of the premises in which energy is used
- (c) Number of units of energy supplied for
  - i Residential, office or commercial purposes; and
  - ii Industrial undertaking.
- (d) Amount of electricity duty and the rates charged in respect of (c) above,
- (e) Amount charged on account of un-metered, supply at flat rate under the provisions of the Act.
- (f) The date of cutting off the supply of" energy on account of failure of payment of electricity duty.

**Explanation.—** Premises used wholly or principally for carrying on an manufacturing process within the meaning of section 2 of the Factories Act, 1934, shall be deemed to be used for an industrial undertaking.

**7. Submission of returns.—**

1. Every licensee shall submit to the Electric Inspector:

- (i) A monthly return in Form "A", by the 15th of the month next after that following the month of which the return relates, separately for:
  - (a) Residential, office or commercial purposes, and
  - (b) An industrial undertaking,
- (ii) a quarterly return in Form "B", within 39 days of the expiry of quarter, containing the particulars of any consumer who has failed to make payment of the Electricity Duty within three months of the presentation of the bill:

Provided that the returns for the period, the first day of My, 1964, to the coming into force of these Rules, shall be furnished by the licensee on such date or dates as may be specified by the Electric Inspector,

**8. Inspection of books of accounts.—**

(1) An Inspecting Officer may at any time; require licensee to produce for inspection at the registered or other office of the licensee, such books and records in his possession or control, as the Inspecting officer may consider necessary for ascertaining or verifying the amount of Electricity Duty leviable under the Act.

(2) The Inspecting Officer shall inspect books of accounts kept and returns submitted by a licensee at such intervals and the extent as the Electric Inspector may direct,

**9. Power for entry and inspection.—** An Inspecting Officer may, after giving reasonable notice to the occupier, enter any premises where energy is or is believed to be supplied for the purposes of;

- (a) verifying the statements made in the books of accounts kept and the returns submitted by the licensee;
- (b) verifying the readings of meters; and
- (c) verifying particulars or ascertaining information required in connection with the levy of Electricity Duty.

**10. Provisions of special meters.—**

- (1). where there is combined installation using energy for:-
  - (a) residential, office or commercial purposes; and
  - (b) an industrial undertaking,

or where part of a supply of energy is liable to Electricity Duty and a part thereof is exempted from such Duty the licensee, or with the permission or approval of the licensee, the consumer shall install and maintain separate suitable and correct meters to register the quantities of the two kinds of consumption separately:

Provided that if any licensee or consumer, as the case may be, satisfies the Electric Inspector that the installation and operation of such meters or sub-meters involves cost disproportionate to the amount of the Electricity Duty recoverable from him per month and furnishes to the Electric Inspector such data and information, which, in the opinion of the Electric Inspector, is sufficient for the Assessment of said Duty, the Electric Inspector may exempt such licensee or consumer, as the case may be, from the requirement of this Rule.

(2). A licensee or consumer exempted under this Rule from installing maintaining separate meters shall give intimation in writing to the Electric Inspector of every addition to the number and every increase in the power of lights, fans and other appliances used by him within twenty-four hours of such addition or increase.

#### **11. Settlement of disputes and imposition of penalty.—**

(1). If any consumer fails or neglects to pay the amount of Electricity Duty due from him within the period specified in the bill for its payment, or if no period is specified in the bill for its payment, within thirty days of the receipt by him of bill, he shall be liable to pay, in addition to such Duty, a penalty not exceeding the total amount of the Electric Duty due from him as may be imposed by the Electric Inspector.

(2). The penalty imposed under this Rule shall be recovered, without prejudice to the right of Government to recover the same under section 3 of the -West Pakistan Government Dues Recovery Ordinance, 1962, so far as may be, in the manner provided for the recovery of the Electricity Duty.

(3). In case any difference or dispute arises between a consumer and a licensee regarding the liability of the consumer for the payment of the amount of Duty due from him, the licensee or the consumer shall refer the dispute to the Electric Inspector, who shall, after such inquiry as he deems fit, decide the matter and his decision shall be consider final and conclusive.

(4). Before proceeding to inquire into any dispute referred to him under the provision of sub-rule (3), the Electric Inspector may serve the consumer with a notice requiring him to deposit with the-licensee, within seven days of the receipt of the notice, the amount of Duty alleged to be due from him and if on being served with such notice the consumer fails to deposit the amount of Duty within the time specified in the notice the Electric Inspector may direct the licensee to cut off the supply of energy to the consumer until such time as the amount of Duty is deposited by him, and the licensee shall act accordingly

#### **12. Application of Rules in the case of generation, use and supply of energy by a person other than a licensee.—** These Rules shall apply mutatis mutandis to any person other than a licensee generating, using and supplying energy to other persons.

#### **FORM "A"**

Monthly return showing information regarding energy supplied/used, Electricity Duty charged thereon and paid to Government during the month of-----20

Total quantity of energy supplied/used for the purpose of----- Unit.

(a) Residential, office or commercial purposes.

(b) An industrial undertaking.

**Exempted.** — Energy supplied to the following-----Unit

(1 ) Any Government, save in respect of premises used for residential purposes,

(2 ) A Local Authority, save in respect of premises used for residential purposes,

(3) Energy consumed by, or in respect of tubewells irrigation and agricultural .machinery.

(4 ) Energy generated by a plant having a capacity not exceeding 2 1/2 kilowatts.

(5) Energy consumed (including losses of energy) in generation, transmission and transformation.

(6 ) Energy consumed in mosques, churches and other, place of public worship.

(7 ) Any consumer using not more than 20 units in any one month.

Total Net number of units on which Duty is leviable.

Amount of Electricity Duty on—Units at—

Amount of Electricity on unmetered supply at flat rate on-----



Less adjustment allowed under Rule 4 plus recoveries on account of previous month  
Less rebate under sub-section (2) (ii) of section 13 of the West Pakistan Finance Act, 1964  
Amount paid into treasury under Challan No. — Dated-----

**FORM "B"**

Return of consumer who has made default in payment of the electricity duty due on account of energy supplied during the month of——

Name and address of the consumer	Units consumed	Amount of electricity duty	Period for which electricity duty is payable	Reference of Ledger Account No.	Remarks (Action taken, if any by the Licensee for recovery)
1	2	3	4	5	6