



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-238/HDPPL-2013/29804-06

June 17, 2021

Subject: **Decision of the Authority in the matter of Reimbursement of 7.5% Withholding Tax on Dividends for Hydrochina Dawood Power (Pvt.) Ltd. (Case No. NEPRA/TRF-238/HDPPL-2013)**

Please find enclosed herewith the subject decision of the Authority (01 Page) regarding reimbursement of 7.5% withholding tax on dividends in respect of Hydrochina Dawood Power (Pvt.) Ltd. in Case No. NEPRA/TRF-238/HDPPL-2013.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

Encl: As above

(Syed Safeer Hussain)

Secretary
Ministry of Energy (Power Division)
Government of Pakistan
'A' Block, Pak Secretariat,
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR HYDROCHINA DAWOOD POWER (PVT) LIMITED**

The Authority granted Upfront Tariff to Hydrochina Dawood Power (Pvt.) Ltd (HDPPL) vide decision dated April 23, 2014. As per the said decision, the Withholding Tax (WHT) on dividend was allowed as pass through.

2. HDPPL requested for the reimbursement of Rs. 29,652,157 on account of WHT on dividend for the financial year ending June 30, 2019. HDPPL requested for WHT at the rates of 7.5% and 10% for its local and foreign shareholders respectively.

3. The Authority has considered the request of HDPPL for reimbursement of withholding tax on dividends @10% for its foreign shareholders. In the opinion of the Authority, the higher tax rate could be avoided by becoming part of active tax payer list, hence, finds it not justified to allow WHT on dividends @10%. Accordingly, the Authority has decided to approve WHT on dividend of Rs. 25,991,604 (7.5%) for the financial year ending June 30, 2019, to be reimbursed by the power purchaser to HDPPL.

4. The instant decision is to be notified in the official gazette in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act.

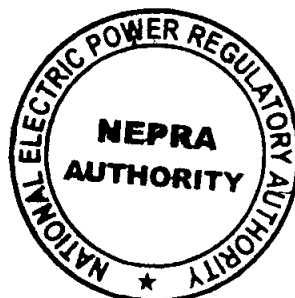
5. CPPA-G to ensure that all the payments are consistent with tariff determination.

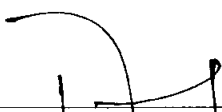
AUTHORITY

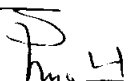

21/5/16/21
Rehmatullah Baloch
Member


Engr. Madsood Anwar Khan
Member


15/6/21
Engr. Rafique Ahmed Shaikh
Member




Tauseef H. Farooqi
Chairman


17/06/21