



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-68/APL-2007/ 2355-59

February 15, 2024

Subject: **Decision of the Authority in the matter of Reimbursement of Pass Through 7.5% Withholding Tax on Dividends for Atlas Power Ltd. (Case No. NEPRA/TRF-68/APL-2007)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with **Annex-I & II** (total 03 pages) regarding reimbursement of pass through withholding tax @ 7.5% on dividend for FY 2022-23 in respect of Atlas Power Ltd. in Case No. NEPRA/TRF-68/APL-2007.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
4. Chief Executive Officer, Atlas Power Limited (APL), 26/27 K.M. Lahore-Sheikhupura Road, Sheikhupura.

DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF PASS THROUGH WITHHOLDING TAX ON DIVIDENDS FOR ATLAS POWER LIMITED (APL)

Pursuant to the Decision of the Authority dated 19th May 2010 in the matter of adjustment at Commercial Operation Date (COD) notified vide S.R.O. 389(I)/2010 dated June 4, 2010 in the case of Atlas Power Limited (APL) and decision of the Authority April 2, 2021 in the matter of application filed by CPPA-G for adjustment of ROE & ROEDC components of tariff pursuant to the agreement with APL, withholding tax on dividends paid by the power producer is a pass-through item as per COD decision and power purchaser make payment on account of withholding tax subject to maximum of 7.5% (or applicable rate).

The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:-

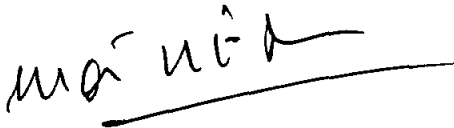
“Based on information and documentary evidence(s) provided by APL, the Authority hereby allow APL to claim Rs. 0.0174/kW/h from Central Power Purchasing Agency Limited (CPPA-G) i.e. power purchaser for the period from January 1, 2024 to December 31, 2024 (366 days) as a pass-through on the basis of Rs. 32,737,500/- paid as 7.5% withholding tax on dividend.”

The requested withholding tax @7.5% on dividend has been spread-out into 12 months in line with the original determination and other similar power plants.

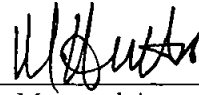
The schedule attached as **Annex-I & II** are to be notified in the official Gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

CPPA (G) to ensure that all payments are consistent with tariff determination(s).

AUTHORITY



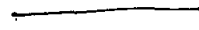
Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



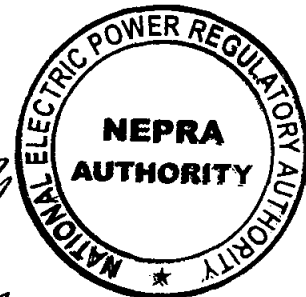
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



15/02/24

ATLAS POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld	Tax Amount Requested	Tax Amount Allowed
			Rs.	Rs.
IT-20230615-0101-1816891	15-Jun-23	436,500,000	32,737,500	32,737,500
Total		436,500,000	32,737,500	32,737,500

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	32,737,500
Capacity	kW	213,856
Hours in a year (366 x 24)	No.	8,784
Tariff component of withholding tax on dividend (January 1, 2024 to December 31, 2024)	Rs./kW/Hour	0.0174

Carry Forward of Unclaimed Dividend Tax As Per Applicable Tariff:**Rs.**

Balance brought forward from 12th Agreement Year *

306,198,108

(NEPRA/R/ADG(Trf)/TRF-68/APL-2007/3022-3024 dated February 24, 2022)

Add:

Limit Available for 13th Agreement Year (18 Dec 2021 to 17 Dec 2022)

138,392,723

Limit Available for 14th Agreement Year (18 Dec 2022 to 17 Dec 2023)

132,972,410

Total Limit Available

577,563,242

Less Claimed:

14th Agreement Year -1st interim dividend (10.00%) for Year 2022-23

(32,737,500)

Un-claimable for 14th Agreement Year (1st interim dividend)**

(2,812,500)

Balance Carried Forward

542,013,242

*Instead of USD, the limit has been calculated and fixed in PKR. The Caculation is attached as Annex-II.

** Out of 474 million paid-up Shares, 37.5 million shares of National Bank of Pakistan are exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividends has been reduced to the extent of dividends paid to them.

-Based on Data Declared by Atlas Power Limited



ATLAS POWER LIMITED
UNCLAIMED LIMIT CALCULATION

2018-19 Agreement Year 10						Maximum Limit	
	Dec 18-31, 2018	Jan-Mar 2019	Apr-Jun 2019	Jul-Sep 2019	Oct- 17 Dec 2019	Rs.	USD
ROE	0.6354	0.7111	0.7193	0.8409	0.8011		
ROEDC	0.0684	0.0765	0.0774	0.0905	0.0862		
KW	213,856	213,856	213,856	213,856	213,856		
Hrs in QTR	336	2,160	2,184	2,208	1,872		
Total Revenue on ROE & ROEDC Components	50,571,983	363,815,249	372,107,900	439,801,536	355,220,291	118,613,772	795,602
2019-20 Agreement Year 11						Maximum Limit	
	Dec 18-31, 2019	Jan-Mar 2020	Apr-Jun 2020	Jul-Sep 2020	Oct- 17 Dec 2020	Rs.	USD
ROE	0.8011	0.7942	0.8524	0.8627	0.8506		
ROEDC	0.0862	0.0855	0.0917	0.0928	0.0915		
KW	213,856	213,856	213,856	213,856	213,856		
Hrs in QTR	336	2,184	2,184	2,208	1,872		
Total Revenue on ROE & ROEDC Components	63,757,488	410,874,005	440,952,766	451,181,413	377,158,837	130,794,338	795,602
2020-21 Agreement Year 12						Maximum Limit	
	Dec 18-31, 2020	Jan-Mar 2021	Apr-Jun 2021	Jul-Sep 2021	Oct- 17 Dec 2021	Rs.	USD
ROE	0.8506	0.8220	0.7852	0.8092	0.8739		
ROEDC	0.0915	0.0885	0.0845	0.0871	0.0940		
KW	213,856	213,856	213,856	213,856	213,856		
Hrs in QTR	336	2,160	2,184	2,208	1,872		
Total Revenue on ROE & ROEDC Components	67,695,176	420,586,318	406,203,390	423,227,525	387,487,568	127,889,998	795,602
Less: Claimed during 12th Agreement Year- 1st interim dividend (20%) for Year 2021-22						(65,475,000)	(370,543)
Less: UnClaimable during 12th Agreement Year- 1st interim dividend (20%) for Year 2021-22 due to exemption of withholding tax on dividend						(5,625,000)	(31,834)
Total Remaining Limit						306,198,108	1,984,429

