



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/R/ADG(Trf)/TRF-72/EPQL-2007/18976-18978  
October 5, 2022

Subject: **Decision of the Authority in the matter of Reimbursement of 7.5% Withholding Tax on Dividends for Engro Powergen Qadirpur Ltd. (Case No. NEPRA/TRF-72/EPQL-2007)**


Dear Sir,

Please find enclosed herewith the decision of the Authority along with schedule (Annex-I) (02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period September 1, 2022 to August 31, 2023 in respect of Engro Powergen Qadirpur Ltd. in Case No. NEPRA/TRF-72/EPQL-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.

3. The schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above

  
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( Syed Safeer Hussain )

Secretary,  
Ministry of Energy (Power Division)  
'A' Block, Pak Secretariat,  
Government of Pakistan  
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 ENGRO POWERGEN QADIRPUR LIMITED**


1. Pursuant to the Authority's decisions dated November 3, 2010, April 1, 2011, May 14, 2012, and September 13, 2013 in the case of Engro Powergen Qadir Limited (Formerly, Engro Enrgy Limited) (hereinafter "EPQL"), withholding tax on dividend is a pass through item and the power purchaser shall make payment on account of withholding tax at the time of actual payment of dividend as hourly payment spread over a period of 12 months. In accordance with the decision(s) referred above, the Authority approved following component for withholding tax on dividend for immediate application:

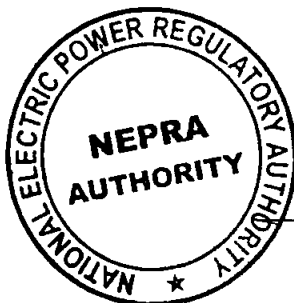
Period	Plant Operation	7.5% Withholding tax on dividend Rs.kW/Hour
September 1, 2022 to August 31, 2023	Gas	0.1305
	HSD	0.1322

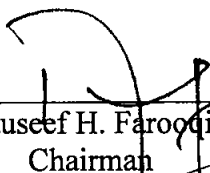
2. The Authority has considered the request of EPQL, for reimbursement of withholding tax on dividends @15% for some of their shareholders being not in the active taxpayer list. In the opinion of the Authority, the higher tax rate could be avoided by becoming part of active tax payer list and the failure is on the part of shareholders of EPQL. Therefore, there is no justification to allow WHT on dividends @ 15% instead of normal rate. Accordingly, the same is being allowed @ 7.5%.
3. The schedule attached as **Annex-I** 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 1997.
4. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

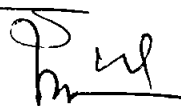
**AUTHORITY**

  
Engr. Maqsood Anwar Khan  
Member

  
Engr. Rafique Ahmed Shaikh  
Member



  
Tauseef H. Farooqi  
Chairman

  
05 x 22

**ENGRO POWERGEN QADIRPUR LIMITED**  
**(Formerly Engro Energy Limited)**  
**REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS**

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is being Withheld	Tax Amount Claimed		Tax Amount Allowed	
			Rs.	Equivalent USD*	Rs.	Equivalent USD*
IT-20200924-0101-1426823	24-Sep-20	394,603,267	30,407,585	182,409	29,595,245	177,536
IT-20210419-0101-1356411	19-Apr-21	552,109,442	42,621,139	277,662	41,408,208	269,760
IT-20211008-0101-1157156	8-Oct-21	473,224,915	36,358,757	212,190	35,491,869	207,131
IT-20220401-0101-1019767	1-Apr-22	1,892,930,404	146,178,537	794,665	141,969,780	771,785
<b>Total</b>		<b>1,892,930,404</b>	<b>255,566,018</b>	<b>1,466,926</b>	<b>248,465,102</b>	<b>1,426,212</b>

**Calculation of Hourly Rate:**

		GAS	HSD
Withholding tax on dividend	Rs.	248,465,102	248,465,102
Capacity	kW	217,298	212,861
Hours in a year	No.	8,760	8,760
Tariff component of withholding tax on dividend (September 1, 2022 to August 31, 2023)	Rs./kW/Hour	0.1305	0.1332

**Carry Forward of Limit:**

	USD
<b>Balance Brought Forward</b>	1,021,126
No. NEPRA/R/ADG/TRF/TRF-72/EPQL-2007/3028-3030 dated February 24, 2022	
Limit Available for 11th Agreement Year	797,467
Limit Available for 12th Agreement Year	797,467
<b>Total Limit Available</b>	<b>2,616,060</b>
WHT claimed during 11th Agreement Year	(177,536)
WHT claimed during 11th Agreement Year	(269,760)
WHT claimed during 12th Agreement Year	(207,131)
WHT claimed during 12th Agreement Year	(771,785)
Unclaimable due to exemption of WHT for 11th Agreement year	(4,565)
Unclaimable due to exemption of WHT for 11th Agreement year	(7,105)
Unclaimable due to exemption of WHT for 12th Agreement year	(5,461)
Unclaimable due to exemption of WHT for 12th Agreement year	(20,333)
<b>Balance Carried Forward from 12th Agreement Year</b>	<b>1,152,384</b>

