



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-72/EPQL-2007/5431-35

April 24, 2024

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 **Annex-I** (total 02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period **May 01, 2024 to April 30, 2025** 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.

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)

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

Copy to:

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, Engro Powergen Qadirpur Limited, 7th Floor, The Harbour Building, HC#3, Marine Drive, Block 4, Clifton, Karachi

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 as per COD decision 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.
2. 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 EPQL, the Authority hereby allow EPQL to claim Rs. 0.0436/kW/h & Rs. 0.0445/kW/h for Gas & HSD fuel from the Central Power Purchasing Agency Limited i.e. power purchaser for the period from May 1, 2024 to April 30, 2025 as a pass-through on the basis of Rs. 83,013,140/- paid as 7.5% withholding tax on dividends."
3. 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%.
4. The schedule attached as **Annex-I** 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.
5. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

AUTHORITY

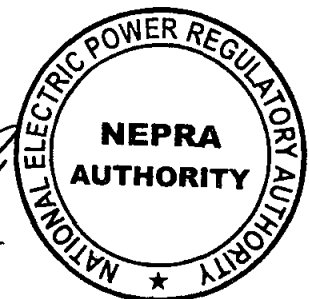
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman



24/04/24

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.	Rs.
IT-20231108-0101-1314937	8-Nov-23	633,918,208	48,540,664	47,543,866
IT-20240408-0101-1208413	8-Apr-24	472,923,654	36,521,592	35,469,274
Total		1,106,841,862	85,062,256	83,013,140

Calculation of Hourly Rate:

		GAS	HSD
Withholding tax on dividend	Rs.	83,013,140	83,013,140
Capacity	kW	217,298	212,861
Hours in a year (365 x 24)	No.	8,760	8,760
Tariff component of withholding tax on dividend (May 1, 2024 to April 30, 2025)	Rs./kW/Hour	0.0436	0.0445

Carry Forward of Unclaimed Dividend Tax Amount As per Applicable Tariff:**Balance Brought Forward from 14th Agreement Year**

Rs.
227,652,872

(No. NEPRA/R/ADG/TRF/TRF-72/EPQL-2007/2361-65 dated February 15, 2024)

Less: WHT claimed during 14th Agreement Year (2nd Interim dividend @ 20% ended September 30, 2023) (47,543,866)

Less: WHT claimed during 14th Agreement Year (Final dividend @ 15% ended December 31, 2023) (35,469,274)

Less: Unclaimable due to exemption of WHT against Interim Dividend (1,026,105)

Less: Unclaimable due to exemption of WHT against Final Dividend (958,246)

Balance Carried Forward from 14th Agreement Year

142,655,382

- Based on Data declared by Engro Powergen Qadirpur Limited.

A. J.

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