



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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

Registrar

No. NEPRA/R/ADG(Trf)/TRF-72/EPQL-2007/ 2361-65

February 15, 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 & II** (total 03 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period **January 1, 2024 to December 31, 2024** 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: (alongwith copy of subject Decision):

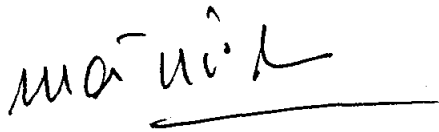
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer,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

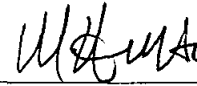
1. Pursuant to the Authority's decisions dated November 3, 2010, April 1, 2011, May 14, 2012, and September 13, 2013 in the case of Engro Powergen Qadir Limited (Formerly, Engro Enrgy Limited) (hereinafter "EPQL"), withholding tax on dividend is a pass through item as per COD decision and the power purchaser 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. 0.0187/kW/h & Rs. 0.0191/kW/h for Gas & HSD fuel from the Central Power Purchasing Agency Limited 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. 35,768,496/- 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 & 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.
5. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

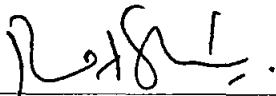
AUTHORITY



Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



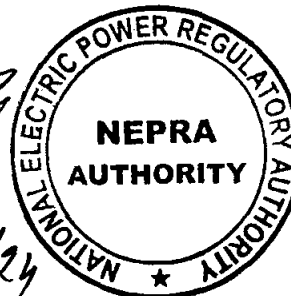
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



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-20230901-0101-1023274	1-Sep-23	476,913,284	36,576,199	35,768,496
Total		476,913,284	36,576,199	35,768,496

Calculation of Hourly Rate:

		GAS	HSD
Withholding tax on dividend	Rs.	35,768,496	35,768,496
Capacity	kW	217,298	212,861
Hours in a year (366 x 24)	No.	8,784	8,784
Tariff component of withholding tax on dividend (January 1, 2024 to December 31, 2024)	Rs./kW/Hour	0.0187	0.0191

Carry Forward of Unclaimed Dividend Tax Amount As per Applicable Tariff:**Balance Brought Forward**

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

Limit Available for 14th Agreement Year (Mar 27, 2023 to Mar 26, 2024)**Total Limit Available**

Less: WHT claimed during 14th Agreement Year (Interim dividend @ 15% ended June 30, 2023)

Less: Unclaimable due to exemption of WHT against Interim Dividend

Balance Carried Forward from 14th Agreement Year

Rs.

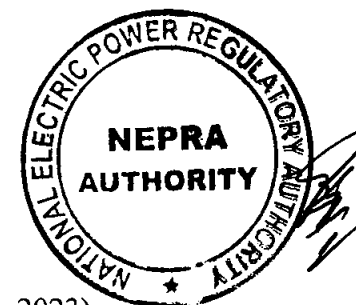
131,246,015

132,834,380

264,080,395

(35,768,496)

(659,027)

227,652,872

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

- Based on Data declared by Engro Powergen Qadirpur Limited.

ENGRO POWERGEN QADIRPUR LIMITED
(Formerly Engro Energy Limited)
UNCLAIMED LIMIT CALCULATION

Limit for 11 th Agreement Year (2020-21)						Maximum Limit	
Description	Mar 27-31, 2020	Apr-Jun 2020	Jul-Sep 2020	Oct-Dec 2020	Jan- 26 Mar 2021	Rs.	USD
ROE				0.6794	0.6566		
ROEDC				0.2500	0.2416		
KW				217,298	217,298		
Hrs in QTR				1,859	2,040		
Total Revenue on ROE & ROEDC Components	-	-	-	375,415,646	398,161,210	58,018,264	354,917
Limit for 12 th Agreement Year (2021-22)						Maximum Limit	
Description	Mar 27-31, 2021	Apr-Jun 2021	Jul-Sep 2021	Oct-Dec 2021	Jan- 26 Mar 2022	Rs.	USD
ROE	0.6566	0.6272	0.6464	0.6980	0.7266		
ROEDC	0.2416	0.2308	0.2378	0.2568	0.2673		
KW	217,298	217,298	217,298	217,298	217,298		
Hrs in QTR	120	2,184	2,208	2,208	2,040		
Total Revenue on ROE & ROEDC Components	23,421,248	407,188,638	424,233,841	458,107,296	440,583,864	131,515,116	797,467
Balance Limit upto 12th Agreement Year						189,533,381	1,152,384
Limit for 13 th Agreement Year (2022-23)						Maximum Limit	
Description	Mar 27, 2022	Apr-Jun 2022	Jul-Sep 2022	Oct-Dec 2022	Jan- 26 Mar 2023	Rs.	USD
ROE	0.7266	0.7480	0.6849	0.6849	0.6849		
ROEDC	0.2673	0.2752	0.2430	0.2430	0.2430		
KW	217,298	217,298	217,298	217,298	217,298		
Hrs in QTR	120	2,184	2,208	2,208	2,040		
Total Revenue on ROE & ROEDC Components	25,916,698	485,589,061	445,200,838	445,200,838	411,326,861	135,992,572	
Less: WHT claimed during 13th Agreement Year (Interim Dividend ended June 30, 2022)						(118,293,147)	
Less: WHT claimed during 13th Agreement Year (Interim Dividend ended September 30, 2022)						(70,986,004)	
Less: Unclaimed due to exemption of WHT during 13th Agreement Year against Interim Dividend ended June 30, 2022						(3,131,820)	
Less: Unclaimed due to exemption of WHT during 13th Agreement Year against Interim Dividend ended September 30, 2022						(1,868,967)	
Total Remaining Limit Amount						131,246,015	

49

