



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(TRF)/TRF-72/EPQL-2007/10533-37

July 10, 2025

Subject: **Decision of the Authority in the matter of Reimbursement of 7.5% Withholding Tax on Dividends for Engro Powergen Qadirpur Limited**

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 from **July 01, 2025 to June 30, 2026** in respect of Engro Powergen Qadirpur Limited 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 within the time period specified in Section 31(7), the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: **As above**


(Wasim Anwar Bhinder)

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

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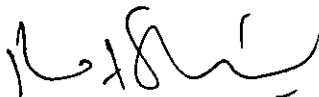
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive Officer, Engro Powergen Qadirpur Ltd. (EPQL), 4th Floor, The Harbor Front 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. EPQL requested Rs. 179,339,806/- on account of withholding tax on dividends which is based on 7.5% for shareholders being in the active tax taxpayers list (ATL) and 15% for some of the shareholders being not in the ATL. 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 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. 0.0927/kW/h & Rs. 0.0947/kW/h for Gas & HSD fuel from the Central Power Purchasing Agency Limited i.e. power purchaser for the period from July 1, 2025 to June 30, 2026 as a pass-through on the basis of Rs. 176,494,736/- paid as 7.5% withholding tax on dividends."
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).

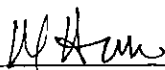
AUTHORITY



Engr. Rafique Ahmed Shaikh
Member



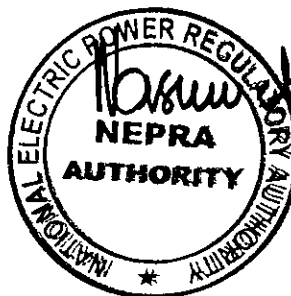
Amina Ahmed
Member



Engr. Maqsood Anwar Khan
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-20250513-0101-1284660	13-May-25	23,020,427	2,298,014	1,726,532
IT-20250513-0101-1284659		101,234,897	8,264,666	7,592,617
IT-20250513-0101-1284658		171,485,578	13,472,691	12,861,418
IT-20250513-0101-1287446		53,766,492	4,289,175	4,032,487
IT-20250514-0101-1331988	14-May-25	2,003,755,751	151,015,259	150,281,681
Total		2,353,263,145	179,339,806	176,494,736

Calculation of Hourly Rate:

		GAS	HSD
Withholding tax on dividend	Rs.	176,494,736	176,494,736
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 (July 1, 2025 to June 30, 2026)	Rs./kW/Hour	0.0927	0.0947

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

	Rs.
Balance Brought Forward	129,779,733
No. NEPRA/R/ADG/TRF/TRF-72/EPQL-2007/878-82 dated January 20, 2024)	
Limit Available for 16 th Agreement Year (Mar 27, 2025 to Mar 26, 2026)	132,471,445
Total Limit Available	262,251,178
Less: WHT claimed during 16th Agreement Year (Interim dividend @ 75% ended December 31, 2025)	(176,494,736)
Less: Unclaimable due to exemption of WHT against Interim Dividend*	(5,642,822)
Balance Carried Forward from 15th Agreement Year	80,113,620

*Out of 323,800,000 Shares, 10,031,684 shares are exempt from withholding tax on dividend. Accordingly, the carry forward of unclaimed withholding tax on dividend has been reduced to the extent of dividends paid to them.

- Based on Data declared by Engro Powergen Qadirpur Limited.

