



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(TRF)/TRF-72/EPQL-2007/ 878-82

January 20, 2025

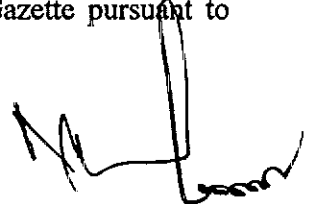
Subject: **Decision of the Authority in the matter of Reimbursement of 7.5% Withholding Tax on Dividends for Engro Powergen Qadirpur Limited**

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 **January 01, 2025 to December 31, 2025** 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**



(Masroor Khan)

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 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. 60,565,675/- on account of withholding tax on dividend 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. 0.0313/kW/h & Rs. 0.0320/kW/h for Gas & HSD fuel from the Central Power Purchasing Agency Limited i.e. power purchaser for the period from January 1, 2025 to December 31, 2025 as a pass-through on the basis of Rs. 59,651,962/- 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

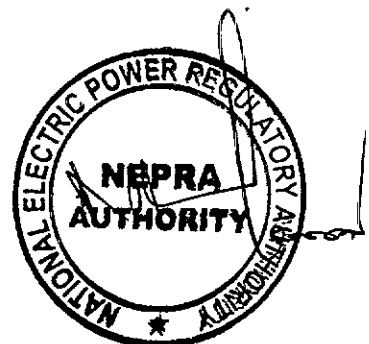
Mathar Niaz Rana (nsc)
Member

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% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is being Withheld	Tax Amount Claimed	Tax Amount Allowed
			Rs.	Rs.
IT-20241108-0101-1191159	8-Nov-24	795,359,491	60,565,675	59,651,962
Total		795,359,491	60,565,675	59,651,962

Calculation of Hourly Rate:

Withholding tax on dividend

Capacity

Hours in a year (365 x 24)

Tariff component of withholding tax on dividend (January 1, 2025 to December 31, 2025)

	GAS	HSD
Rs.	59,651,962	59,651,962
kW	217,298	212,861
No.	8,760	8,760
Rs./kW/Hour	0.0313	0.0320

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

(No. NEPRA/R/ADG/TRF/TRF-72/EPQL-2007/19302-06 dated December 17, 2024)

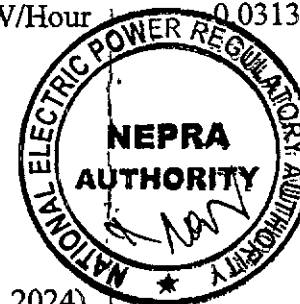
Limit Available for 15th Agreement Year (Mar 27, 2024 to Mar 26, 2025)

Less: WHT claimed during 15th Agreement Year (Interim dividend @ 25% ended September 30, 2024)

Less: Unclaimable due to exemption of WHT against Interim Dividend*

Balance Carried Forward from 15th Agreement Year

Rs.
57,657,867
132,834,380
(59,651,962)
(1,060,553)
129,779,733



*Out of 323,800,000 Shares, 5,656,281 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.

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