



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-100/Laraib-2009/4067-4069

March 16, 2022

Subject: **Decision of the Authority in the matter of Reimbursement of Pass Through Withholding Tax on Dividends for Laraib Energy Limited (Case No. NEPRA/TRF-100/2009)**

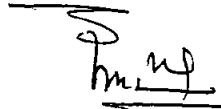
Dear Sir,

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 in respect of Laraib Energy Limited in Case No. NEPRA/TRF-100/2009.

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

  
16 03 22  
( Syed Safeer Hussain )

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

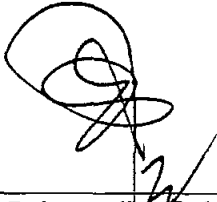
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF  
PASS THROUGH WITHHOLDING TAX ON DIVIDENDS FOR LARAIB ENERGY  
LIMITED (LEL)**

Pursuant to the Decisions of the Authority dated 14<sup>th</sup> April, 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016 dated 28<sup>th</sup> June 2016, Motion for Recalculation dated 26<sup>th</sup> May 2016, and the Motion for Leave for Review dated 30<sup>th</sup> June, 2016, actual withholding tax on dividend paid by the power producer will be reimbursed subject to maximum of 7.5% of 17% return on equity (including return on equity during construction and special return on equity). The Authority hereby allows Laraib Energy Limited (LEL) to claim Rs. 67,845,637/- as a pass through on account of withholding tax on dividend from Central Power Purchasing Agency Guarantee Limited.

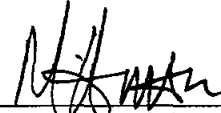
2. The schedule attached as Annex-I is to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

3. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

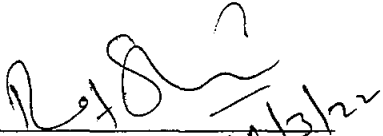
**AUTHORITY**



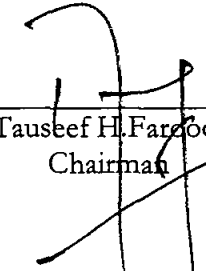
Rehmatullah Baloch  
Member



Engr. Maqsood Anwar Khan  
Member



Engr. Rafique Ahmed Shaikh  
Member



Tauseef H. Farooqi  
Chairman



16 03 22

**LARAIB ENERGY LIMITED**  
**REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDEND**

Sr No.	CPR No	Payment Date	Dividend Amount agst. Which Tax is being Withheld	Withholding Tax @ 7.5%	Equivalent (USD)*
			Rf	Rf	USD
1	IT-20210728-0101-1852499	28-Jul-2021	215,339,736	16,150,480	99,818
2	IT-20210728-0101-1852496	28-Jul-2021	678,011,578	50,850,868	314,282
3	IT-20210728-0101-1852502	28-Jul-2021	11,257,180	844,289	5,218
<b>Grand Total</b>			<b>904,608,494</b>	<b>67,845,636</b>	<b>419,318</b>

\*NBP TT & OD Selling Rate of USD on July 28, 2021 was 161.80

**WORKING FOR MAXIMUM PASS THROUGH TAX ON DIVIDEND PAYMENT**

Withholding Tax Payable =  $[17\% * (E_{Ref} - E_{Red}) + ROEDC_{Ref} + SROE_{Ref}] * 7.5\%$

Where		Amount (USD \$)
Reference Equity	Equity Ref	54,969,129 $= (1.9113 * 470,000,000 * 96.13) / 17\%$
Equity Redemption	Equity Redemption	0
Reference ROEDC	ROEDC CompRef	5,991,241 $= 1.2254 * 470,000,000 * 96.13$
Reference SROE	SROE CompRef	2,071,559 $= 0.4237 * 470,000,000 * 96.13$

Withholding Tax  $1,305,566 = [17\% * (54,969,129) + 5,991,241 + 2,071,559] * 7.5\%$   
 $= [17\% * (E_{Ref} - E_{Red}) + ROEDC_{Ref} + SROE_{Ref}] * 7.5\%$

<u>Withholding Tax Entitled</u>	Amount (USD \$)
Cummulative Balance Brought Forward of Earlier Periods	= 2,209,400
Withholding Tax Limit For 8th Agreement Year	= 1,305,566
Total Withholding Tax Pass-Through Limit Available	= 3,514,967
Less: Allowed Claimed	= (419,318)
Total Withholding Tax Limit Carried Forward	= 3,095,649

*SL*

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