



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/DG(Trf)/TRF-100/Laraib-2009/ 32335-39

September 01, 2023

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

Dear Sir,

Please find enclosed herewith the decision of the Authority along with schedule at **Annex-I** (total 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.

Enclosure: As above

( Engr. Mazhar Iqbal Ranjha )

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.
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
4. Chief Executive, Laraib Energy Ltd., Office No. 12, 2<sup>nd</sup> Floor, Executive Complex, G-8 Markaz, Islamabad Tele: 051 – 2255 431 – 32



**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 a 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. 130,566,731/- as a pass-through on account of withholding tax on dividends 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**

Mathar Niaz Rana (nsc)  
Member

Engr. Rafique Ahmed Shaikh  
Member

Engr. Maqsood Anwar Khan  
Member

Amina Ahmed  
Member

Waseem Mukhtar  
Chairman

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

| Sr No.             | CPR No                   | Payment Date | Dividend Amount<br>agst. Which Tax is<br>being Withheld | Withholding Tax<br>@ 7.5% | Equivalent (USD)* |
|--------------------|--------------------------|--------------|---------------------------------------------------------|---------------------------|-------------------|
|                    |                          |              | Rs                                                      | Rs                        | USD               |
| 1                  | IT-20230224-0101-2167619 | 24-Feb-2023  | 1,321,253,331                                           | 99,094,000                | 379,090           |
| 2                  | IT-20230224-0101-2167609 | 24-Feb-2023  | 419,636,409                                             | 31,472,731                | 120,401           |
| <b>Grand Total</b> |                          |              | <b>1,740,889,740</b>                                    | <b>130,566,731</b>        | <b>499,490</b>    |

\*NBP TT & OD Selling Rate of USD on 24th Feb 2023 was 261.40

**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  $1,305,566 = [17\% * (54,969,129) + 5,991,241 + 2,071,559] * 7.5\%$

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

Withholding Tax Entitled

|                                                       |   | Amount (USD \$) |
|-------------------------------------------------------|---|-----------------|
| Cumulative Balance Brought Forward of earlier periods | = | 4,551,734       |
| Total Withholding Tax Pass-Through Limit Available    | = | 4,551,734       |
| Less: Allowed Claimed                                 | = | (499,490)       |
| Total Withholding Tax Limit Carried Forward           | = | 4,052,243       |

