



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Registrar

No. NEPRA/R/ADG(Trf)/TRF-71/NPL-2007/ 1885-89

February 12, 2024

Subject: **Decision of the Authority in the matter of Reimbursement of 7.5% withholding Tax on Dividends for Nishat Power Ltd. (Case No. NEPRA/TRF-71/NPL-2007)**

Dear Sir,

Please find enclosed herewith the subject decision of the Authority along with **Annex-I** (total 02 pages) in the matter of reimbursement of 7.5% withholding Tax on Dividends for the period **January 01, 2024 to December 31, 2024** for Nishat Power Ltd. in Case No. NEPRA/TRF-71/NPL-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.

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 Officer, Nishat Power Ltd., 1-B Aziz Avenue, Canal Bank, Gulberg-V, Lahore.

DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR NISHAT POWER LIMITED

1. Pursuant to the decision of the Authority dated March 22, 2011 in the matter of motion for leave for review against the decision of the Authority dated October 15, 2010 at Commercial Operation Date in the case of Nishat Power Limited (NPL) and decision of the Authority dated April 2, 2021 in the matter of application filed by CPPA-G for adjustment of ROE & ROEDC components pursuant to the signing of master agreement with NPL, withholding tax on dividend is a pass through item 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 NPL, the Authority hereby allow NL to claim Rs. 0.0448/kW/hour from power purchaser for the period from January 1, 2024 to December 31, 2024 as a pass-through on the basis of Rs. 76,873,165/- paid as withholding tax on dividend.”

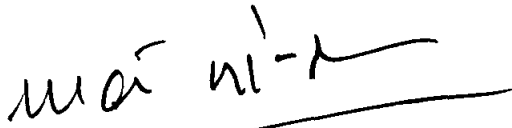
3. The allowed component indicated hereunder and shall be immediately applicable:

Period	7.5% Withholding tax on Dividend (Rs./kW/Hour)
January 1, 2024 to December 31, 2024	0.0448

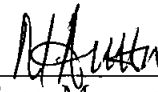
4. The schedule attached as **Annex-I** is to be notified in the Official Gazette in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

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

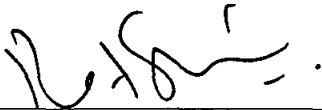
AUTHORITY



Mathar Niaz Rana (nsc)
Member



Engr. Maqsood Anwar Khan
Member



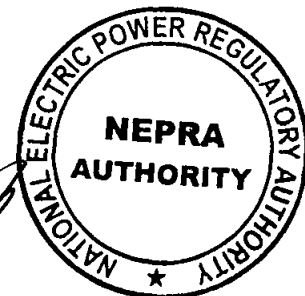
Engr. Rafique Ahmed Shaikh
Member



Amina Ahmed
Member



Waseem Mukhtar
Chairman



NISHAT POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld (Rs.)	Withholding Tax Amount Requested		Withholding Tax Amount Allowed	
			Tax Rate	(Rs)	Tax Rate	(Rs)
IT-20231108-0101-1319248	November 8, 2023	1,011,653,553	7.5%	75,874,693	7.5%	75,874,693
IT-20231108-0101-1319625	November 8, 2023	6,655,921	15%	998,472	7.5%	998,472
Total		1,018,309,474		76,873,165		76,873,165

Calculation of Hourly Rate:

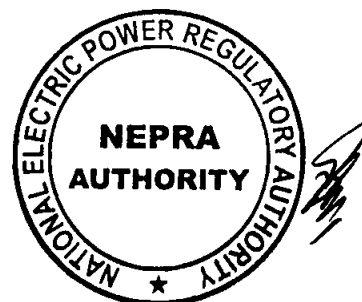
Withholding tax on dividend	Rs.	76,873,165
Capacity	kW	195,305
Hours in a year (366 x 24)	No.	8,784
Tariff component of withholding tax on dividend (January 1, 2024 to December 31, 2024)	Rs./kW/Hour	0.0448

Carry Forward of Unclaimed Dividend Tax As per Applicable Tariff:

Balance brought forward from 13th Agreement Year
 (No. NEPRA/R/ADG(Trf/TRF-71/NPL-2007/16938-42 dated July 6, 2023)

Total Available Limit**Less:**

Claim during 14th Agreement Year (Final Dividend @ 30% June 30, 2023)
 Unclaimable due to exemption of withholding tax on dividends*

Balance Carried Forward

Rs

135,644,956

135,644,956

(76,873,165)

(3,296,705)55,475,086

*Out of 354.088 million paid-up shares, 14.652 million shares for end-Jun 2023 of Individuals, Banking and Non Banking Financial Institutions are exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividends has been reduced to the extent of dividends paid to them.