

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/SA(Tariff)/TRF-80/SPL-2007/21649-21651

August 19, 2020

Subject: Decision of the Authority in the Matter of Reimbursement of 7.5% Withholding Tax on Dividends for Saif Power Ltd. (Case No. NEPRA/TRF-80/SPL-2007)

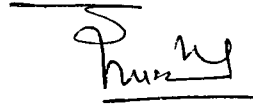
Dear Sir,

Please find enclosed herewith the decision of the Authority along with Annex-I (02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from July 1, 2020 to June 30, 2021 in respect of Saif Power Ltd. in Case No. NEPRA/TRF-80/SPL-2007.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31 (7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

3. The Schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above


19 08 20
(Syed Safeer Hussain)

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

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

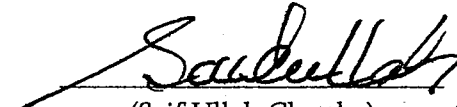
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR SAIF POWER LIMITED**

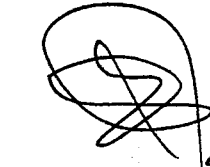
1. Pursuant to the order of the Authority dated June 20, 2011 in the matter of adjustment at Commercial Operation Date (COD) in the case of Saif Power Limited (SPL), withholding tax on dividend is a pass through item and the power purchaser shall make payment on account of withholding tax at the time of actual payment of dividend as hourly payment spread over a period of 12 months. In accordance with the decision referred above, the Authority approved following component for withholding tax on dividend for immediate application:


Period	7.5% Withholding tax on Dividend Rs./kW/Hour
July 1, 2020 to June 30, 2021	0.0256

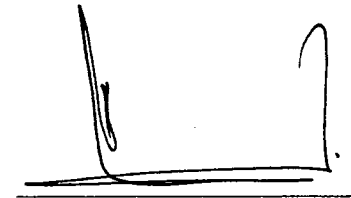
2. The schedule attached as **Annex-I** is to be notified in the official gazette in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
3. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

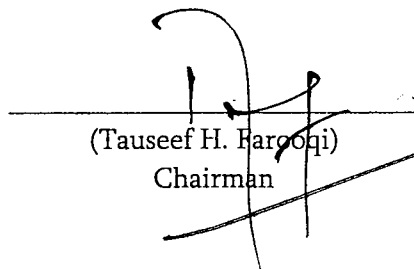
AUTHORITY

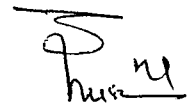

(Saif Ullah Chattha) 7.8.2020
Member

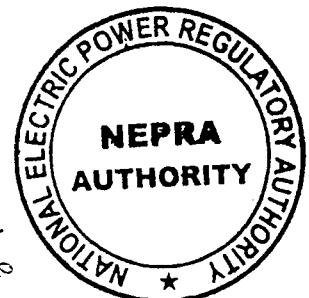

(Rehmatullah Baloch) 2/10/8/2020
Member


(Engr. Rafique Ahmed Shah) 12/8/20
Member


(Engr. Bahadur Shah)
Member


(Tauseef H. Farooqi)
Chairman


19.08.20



SAIF POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld	Withholding Tax Amount Requested			Withholding Tax Amount Allowed		
			Tax Rate	Rs.	Equivalent USD	Rate of Tax	Rs.	Equivalent USD*
IT-20200513-2221-1088408	13-May-20	132,045,008	7.5%	9,903,376	61,588	7.5%	9,903,376	61,588
IT-20200521-2221-1181407	21-May-20	394,545,438	7.5%	29,590,908	183,680	7.5%	29,590,908	183,680
IT-20200521-2221-1181408	21-May-20	93,958,254	7.5%	7,046,869	43,742	7.5%	7,046,869	43,742
IT-20200521-2221-1181409	21-May-20	5,807,456	7.5%	435,559	2,704	7.5%	435,559	2,704
IT-20200521-2221-1181410	21-May-20	40,000	7.5%	3,000	19	7.5%	3,000	19
Total		626,396,156		46,979,712	291,733		46,979,712	291,733

*NBP TT & OD Selling Rate of USD as on May 13, 2020 and May 21, 2020 was 160.80 and 161.10, respectively

Calculation of Hourly Rate:

Withholding Tax on dividend	Rs.	46,979,712
Capacity	kW	209,786
Hours in a year (24 x 366)	No.	8,760
Tariff Component of Withholding Tax on Dividend (July 1, 2020 to June 30, 2021)	Rs/kW/Hour	0.0256

Carry Forward of Unclaimed Dividend Tax:

Balance Brought Forward from 10th Agreement year (April 30, 2019 to April 29, 2020)	USD	2,351,802
(NEPRA/TRF-80/SPL-2007/10260-10262 dated April 9, 2020)		

Less:

Claimed during 10th Agreement Year (Final Dividend Dec, 2019)	(291,733)
Unclaimable due to exemption of withholding tax on dividends*	(68,286)

Balance Carried Forward:

1,991,783

* Out of 386.471 million paid-up Shares, 73.271 million shares of Habib Bank Limited, Allied Bank Limited & other Mutual Funds/Trustees were 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.

