



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-80/SPL-2007/10260-10262  
April 9, 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 January 1, 2020 to December 31, 2020 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

  
( 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
January 1, 2020 to December 31, 2020	0.0126


2. The Authority has considered the request of SPL for reimbursement of withholding tax on dividends @15% for some of their shareholders being not in the active taxpayer list. 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 SPL. Therefore, there is no justification to allow WHT on dividends @15% instead of normal rate and accordingly, the same is being allowed @ 7.5%.
3. 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.
4. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

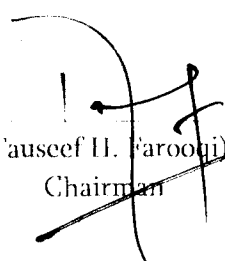
**AUTHORITY**

  
(Saif Ullah Chattha)  
Member 6.4.2020

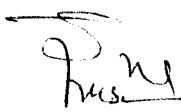
  
(Rehmatullah Baloch)  
Member

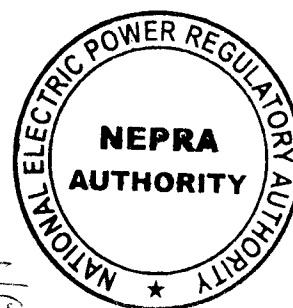
  
(Engr. Rafique Ahmed Shaikh)  
Member

  
(Engr. Bahadur Shah)  
Member

  
(Tauseef H. Farooqi)  
Chairman

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Tauseef  
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Annex-I

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-20191206-0101-1081828	5-Dec-19	66,022,504	15.0%	9,903,376	63,646	7.5%	4,951,688	31,823
IT-20191213-0882-1205508	13-Dec-19	197,292,719	7.5%	14,796,954	95,218	7.5%	14,796,954	95,218
IT-20191213-0882-1205507	13-Dec-19	32,820,853	7.5%	2,461,564	15,840	7.5%	2,461,564	15,840
IT-20191213-0882-1205507	13-Dec-19	13,844,263	15.0%	2,044,916	13,159	7.5%	1,022,458	6,580
<b>Total</b>		<b>309,980,339</b>		<b>29,206,810</b>	<b>187,863</b>		<b>23,232,664</b>	<b>149,461</b>

\*NBP TT & OD Selling Rate of USD as on Dec 5, 2019 and Dec 13, 2019 was 155.60 and 155.40, respectively

**Calculation of Hourly Rate:**

Withholding Tax on dividend	Rs.	23,232,664
Capacity	kW	209,786
Hours in a year (24 x 366)	No.	8,784
Tariff Component of Withholding Tax on Dividend (January 1, 2020 to December 31, 2020)	Rs/kW/Hour	0.0126

**Carry Forward of Unclaimed Dividend Tax:**

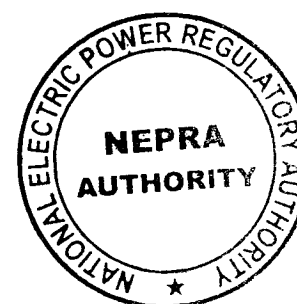
Balance Brought Forward from 10th Agreement year (April 30, 2019 to April 29, 2020) (NEPRA/CRF-80/SPL-2007/13673-13675 dated July 30, 2019)	USD	2,538,178
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**Less:**

Claimed during 10th Agreement Year (1st Interim Dividend 2019)	(149,461)
Unclaimable due to exemption of withholding tax on dividends*	(36,915)

**Balance Carried Forward:**

2,351,802



\* Out of 386.471 million paid-up Shares, 76.488 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.