



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/Director(Trf)/TRF-80/SPL-2007/44194-44196
December 8, 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 November 1, 2020 to October 31, 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


(Muhammad Ramzan)

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:

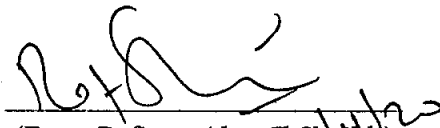
| Period | 7.5% Withholding tax on Dividend Rs./kW/Hour |
|--------------------------------------|---|
| November 1, 2020 to October 31, 2021 | 0.0160 |


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).

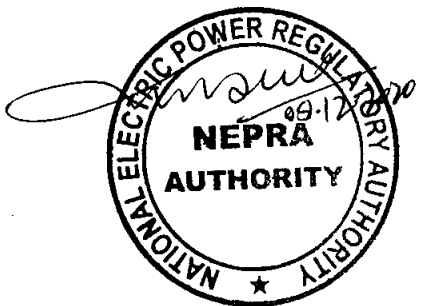
AUTHORITY

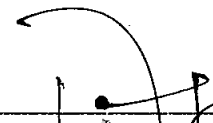

(Saif Ullah Chattha)
Member 20.11.2020


(Rehmatullah Baloch)
Member 20/11/2020


(Engr. Rafique Ahmed Shaikh)
Member


(Engr. Bahadur Shah)
Member




(Tauseef H. Farooqi)
Chairman

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-20200923-0101-1405133 | 23-Sep-20 | 82,528,130 | 7.5% | 6,189,610 | 37,153 | 7.5% | 6,189,610 | 37,153 |
| IT-20201002-0101-1036558 | 2-Oct-20 | 246,617,774 | 7.5% | 18,496,333 | 111,828 | 7.5% | 18,496,333 | 111,828 |
| IT-20201002-0101-1036571 | 2-Oct-20 | 59,574,880 | 7.5% | 4,468,116 | 27,014 | 7.5% | 4,468,116 | 27,014 |
| IT-20201002-0101-1036574 | 2-Oct-20 | 4,118,065 | 7.5% | 308,855 | 1,867 | 7.5% | 308,855 | 1,867 |
| Total | | 392,838,849 | | 29,462,914 | 177,862 | | 29,462,914 | 177,862 |

*NBP TT & OD Selling Rate of USD as on Sep 23, 2020 and Oct 2, 2020 was 166.6 and 165.4, respectively

Calculation of Hourly Rate:

| | | |
|---|------------|------------|
| Withholding Tax on dividend | Rs. | 29,462,914 |
| Capacity | kW | 209,786 |
| Hours in a year (24 x 365) | No. | 8,760 |
| Tariff Component of Withholding Tax on Dividend (Nov 1, 2020 to Oct 31, 2021) | Rs/kW/Hour | 0.0160 |

Carry Forward of Unclaimed Dividend Tax:

| | | |
|---|-----|-----------|
| Balance Brought Forward from 10th Agreement year (April 30, 2019 to April 29, 2020) | USD | 1,991,783 |
| (NEPRA/TRF-80/SPL-2007/21649-21651 dated August 19, 2020) | | |

Add:

| | |
|--|------------------|
| Limit for the 11th Agreement year (30-04-2020 to 29-04-2021) | 813,899 |
| [15% x \$55,880,000 + \$2,469,990] x 7.5% | <u>2,805,682</u> |

Maximum Limit available:**Less:**

| | |
|--|-------------------------|
| Claimed during 11th Agreement Year (1st interim Dividend 2020) | (177,862) |
| Unclaimable due to exemption of withholding tax on dividends* | <u>(40,923)</u> |
| Balance Carried Forward: | <u>2,586,898</u> |

* Out of 386.471 million paid-up Shares, 72.198 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.

