



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-80/SPL-2007/1946-1948

February 9, 2022

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-1 (02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from January 1, 2022 to December 31, 2022 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 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.

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

Enclosure: As above

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

(Iftikhar Ali Khan)

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
Jan 1, 2022 to Dec 31, 2022	0.0268

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

Rehmatullah Baloch
Member

03/01/22

Engr. Maqsood Anwar Khan
Member

03/01/22

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman



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SAIF POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHODING 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-20211124-0101-1397878	24-Nov-21	132,045,008	7.5%	9,903,376	56,672	7.5%	9,903,376	56,672
IT-20211203-0101-1037907	3-Dec-21	6,904,108	7.5%	517,808	2,927	7.5%	517,808	2,927
IT-20211203-0101-1037909	3-Dec-21	122,866,650	7.5%	9,215,038	52,092	7.5%	9,214,999	52,092
IT-20211203-0101-1037913	3-Dec-21	394,589,540	7.5%	29,594,217	167,293	7.5%	29,594,216	167,293
Total		656,405,306		49,230,438	278,984		49,230,398	278,984

*NBP TT & OD Selling Rate of USD as on Nov 24, 2021 and Dec 3, 2021 was 174.75 and 176.90, respectively

Calculation of Hourly Rate:

Withholding Tax on dividend	Rs.	49,230,398
Capacity	kW	209,786
Hours in a year (24 x 365)	No.	8,760
Tariff Component of Withholding Tax on Dividend (Jan 1, 2022 to Dec 31, 2022)	Rs/kW/Hour	0.0268

Carry Forward of Unclaimed Dividend Tax:

Balance Brought Forward from 11th Agreement year (April 30, 2020 to April 29, 2021)
 (NEPRA/TRF-80/SPL-2007/44194-44196 dated December 8, 2020)

USD
2,114,554

Add:

Limit for the 12th Agreement year (April 30, 2021 to April 29, 2022)
 (15% x \$55,880,000+\$2,469,990) x 7.5%

813,899
2,928,454

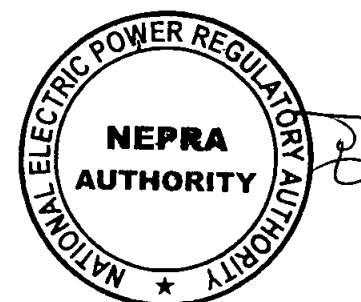
Less:

Claimed during 12th Agreement Year (1st interim Dividend 2021)
 Unclaimable due to exemption of withholding tax on dividends*

(278,984)
(49,406)

Balance Carried Forward:

2,600,063



* Out of 386.471 million paid-up Shares, 58.267 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.

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