



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-80/SPL-2007/ 16884-88

July 6, 2023

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 & Annex-II (Total 03 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from April 1, 2023 to March 31, 2024 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

(Engr. Mazhar Iqbal Ranjha)

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.
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, Saif Power Ltd., 4th Floor, Kashmir Commercial Complex (KCC), Fazal-ul-Haq Road, Block-E, Blue Area, 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) 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 agreement with 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
April 1, 2023 to March 31, 2024	0.0205

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

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Tauseef H. Farooqi
Chairman



SAIF POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

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.	Rs.
IT-20221202-0101-1074681	2-Dec-22	298,475,658	7.5%	22,385,676	22,385,676
IT-20221202-0101-1074682		100,182,995	7.5%	7,514,030	7,514,030
IT-20221202-0101-1074683		5,257,400	7.5%	394,305	394,305
IT-20221202-0101-1074670		99,033,756	7.5%	7,427,532	7,427,532
Total		502,949,809		37,721,543	37,721,543

Calculation of Hourly Rate:

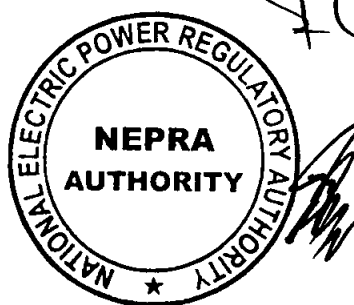
Withholding Tax on dividend	Rs.	37,721,543
Capacity	kW	209,786
Hours in a year (24 x 365)	No.	8,760
	Rs/kW/Hour	0.0205

Tariff Component of Withholding Tax on Dividend (April 1, 2023 to March 31, 2024)

Carry Forward of Unclaimed Dividend Tax:	Rs.
Balance Brought Forward from 12th Agreement Year (April 30, 2021 to April 29, 2022) as per applicable tariff (NEPRA/TRF-80/SPL-2007/20494-20496 dated October 21, 2022)*	271,450,669
Limit for the 13 th Agreement year (April 30, 2022 to April 29, 2023)	139,874,904
Total Available Limit	411,325,572
Less:	
Claimed during 13 th Agreement Year (1 st interim Dividend @45%) (already approved)	(112,981,991)
Unclaimable due to exemption of withholding tax on dividends (already approved)	(17,452,125)
Claimed during 13 th Agreement Year (2 nd interim Dividend @15%)	(37,721,543)
Unclaimable due to exemption of withholding tax on dividends**	(5,756,513)
Balance Carried Forward:	237,413,401

* instead of USD, the limit has been calculated and fixed in PKR. The calculation is attached as Annex-II.

** Out of 386.471 million paid-up Shares, 51.169 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.



SAIF POWER LIMITED
UNCLAIMED LIMIT CALCULATION

2019-20 Agreement Year 10						Maximum Limit	
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar 2020	Apr-Jun 2020	Rs.	USD
ROE					0.7591		
ROEDC					0.2241		
kW					209,786		
Hrs in QTR					97.30		
Total	-	-	-	-	20,070,030	1,505,252	9,027
2020-21 Agreement Year 11						Maximum Limit	
	Apr 30-Jun	Jul-Sep	Oct-Dec	Jan-Mar 2021	April 29, 2021	Rs.	USD
ROE	0.7591	0.7682	0.7575	0.7320	0.6992		
ROEDC	0.2241	0.2268	0.2236	0.2161	0.2064		
KW	209,786	209,786	209,786	209,786	209,786		
Hrs in QTR	1,488	2,208	2,208	2,160	696		
Total	306,917,254	460,891,451	454,452,866	429,619,910	132,227,612	133,808,182	813,899
2021-22 Agreement Year 12						Maximum Limit	
	Apr 30-Jun	Jul-Sep	Oct-Dec	Jan-Mar 2022	April 29, 2022	Rs.	USD
ROE	0.6992	0.7206	0.7782	0.8101	0.8340		
ROEDC	0.2064	0.2128	0.2298	0.2392	0.2462		
KW	209,786	209,786	209,786	209,786	209,786		
Hrs in QTR	1,488	2,208	2,208	2,160	696		
Total	282,693,516	432,357,869	466,913,148	475,477,452	157,721,143	136,137,235	813,899
Total Limit						271,450,669	1,636,825

