



Registrar

# National Electric Power Regulatory Authority

## Islamic Republic of Pakistan

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Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/3790-3792

March 10, 2022

**Subject: Decision of the Authority in the Matter of Reimbursement of 7.5% Withholding Tax on Dividends for Sapphire Electric Company Ltd. (Case No. NEPRA/TRF-125/SECL-2009)**

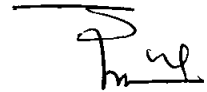
Dear Sir,

Please find enclosed herewith the decision of the Authority along with schedule of tariff (Annex-I) (02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from March 1, 2022 to February 28, 2023 in respect of Sapphire Electric Company Ltd. in Case No. NEPRA/TRF-125/SECL-2009.

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

  
10 03 22  
( Syed Safeer Hussain )

Secretary,  
Ministry of Energy,  
Government of Pakistan  
'A' Block, Pak Secretariat  
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 SAPPHIRE ELECTRIC COMPANY LIMITED**

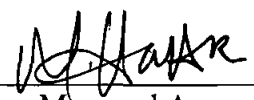
1. Pursuant to the order of the Authority dated November 23, 2012 in the matter of Motion for Leave for Review filed against the decision of the Authority at Commercial Operation Date (COD) in the case of Sapphire Electric Company Limited (SECL), withholding tax on dividend is a pass through item and 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
March 1, 2022 to February 28, 2023	0.0244

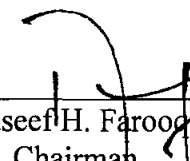
2. The schedule attached as **Annex-I** is to be notified in the official gazette in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.
3. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

**AUTHORITY**

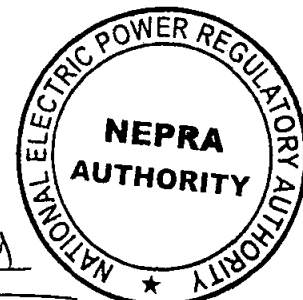
  
27/3/22  
(Rehmatullah Baloch)  
Member

  
(Engr. Maqsood Anwar Khan)  
Member

  
(Engr. Rafique Ahmed Shaikh)  
Member

  
(Tauseef H. Farooqi)  
Chairman

  
10 03 22



**SAPPHIRE ELECTRIC COMPANY LIMITED**  
**REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS**

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld	WHT Tax Requested			WHT Tax Allowed		
			Tax Rate	Rs.	Equivalent USD*	Tax Rate	Rs.	Equivalent USD*
IT-20211108-0101-1107134	8-Nov-21	126,813,701	7.50%	9,511,048	55,783	7.50%	9,511,048	55,783
IT-20211108-0101-1107135		477,439,218	7.50%	35,807,955	210,017	7.50%	35,807,955	210,017
Total		604,252,919		45,319,003	265,801		45,319,003	265,801

\*NBP TT & OD Selling Rate of USD as on 8th November 2021 was Rs. 170.5/-.

**Calculation of Hourly Rate:**

Withholding Tax on dividend

Rs. 45,319,003

Capacity

kW 212,107

Hours in a year (365 x 24)

No. 8,760

Tariff Component of withholding tax on dividend (March 1, 2022 to February 28, 2023)

Rs/kW/Hour 0.0244

Reimbursement Period of 12 Months

**Carry Forward of Unclaimed Dividend Tax:**

Balance Brought Forward

USD  
2,581,942

(NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/10996-10998 dated March 1, 2021)

10th Agreement Year (Oct 5, 2019 to Oct 4, 2020)

840,060

11th Agreement Year (Oct 5, 2020 to Oct 4, 2021)

840,060

[15% x \$58,904,007+\$2,365,206] x 7.5%

1,680,121  
**4,262,063**

**Less claimed:**

11th Agreement Year (Oct 5, 2020 to Oct 4, 2021) (Final Dividend @15% for the Period Ended June 30, 2021)

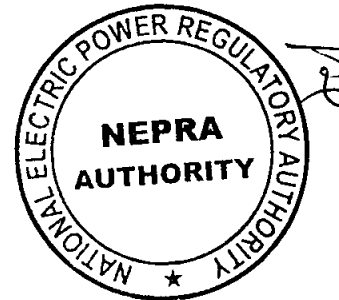
(265,801)

Less un-claimable due to exemption of withholding tax on dividends\*

(13,979)

**Balance Carried Forward**

**3,982,284**



\* Out of 424.021 million paid-up Shares, 21.186 million shares of Meezan Bank Limited are exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividend has been reduced to the extent of dividends paid to Meezan Bank Limited.