



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/ 9126-30

June 20, 2025

Subject: Decision of the Authority in the matter of Reimbursement of 7.5% withholding Tax on dividends for Sapphire Electric Company Limited

Dear Sir,

Please find enclosed herewith the Decision of the Authority alongwith **Annex-I** (total 02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from **June 01, 2025 to May 31, 2026** 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 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.

Enclosure: As above

Wasim Anwar Bhinder
(Wasim Anwar Bhinder)

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

Copy to:

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, Sapphire Electric Company Ltd., 7-A/K, Main Boulevard, Gulberg- II, Lahore 042-111000100.



**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 Decision 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.
2. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:

"Based on information and documentary evidence(s) provided by SECL, the Authority hereby allow SECL to claim Rs. 0.0244/kW/h from Central Power Purchasing Agency Limited i.e. Power Purchaser for the period from June 1, 2025 to May 31, 2026 as a pass-through on the basis of Rs. 45,319,009/- paid as 7.5% withholding tax on dividends."
3. The above decision of the Authority along with revised schedule attached as **Annex-I** are 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).

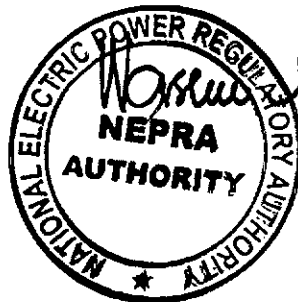
AUTHORITY

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Engr. Maqsood Anwar Khan
Member

Waseem Mukhtar
Chairman



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

Tax Challan #	Payment Date	Dividend Amount against which Tax is being Withheld (PKR)	WhT Requested		WhT Allowed	
			Rate	Rs.	Rate	Rs.
IT-20250416-0101-1344089	April 16, 2025	477,439,519	7.50%	35,808,002	7.50%	35,808,002
IT-20250415-0101-1305689	April 15, 2025	126,813,401	7.50%	9,511,005	7.50%	9,511,005
IT-20250416-0101-1343475	April 16, 2025	15	7.50%	2	7.50%	2
Total		604,252,935		45,319,009		45,319,009

Calculation of Hourly Rate:

Withholding Tax on dividend	Rs.	45,319,009
Capacity	kW	212,107
Hours in a year (365 x 24)	Hours	8,760
Tariff Component of withholding tax on dividend (June 1, 2025 to May 31, 2026)	Rs./kW/Hours	0.0244

Carry Forward of Unclaimed Dividend Tax As Per Applicable Tariff:

Balance Brought Forward from 14 th Agreement Year (Oct 5, 2023 to Oct 4, 2024) (As per decision No. NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/19954-58 dated December 31, 2024)	Rs.	614,407,166
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Maximum Limit Available

Less: Claimed during 15 th Agreement Year (Oct 5, 2024 to Oct 4, 2025)	(45,319,009)
1 st Interim Cash Dividend @ 15% for the Period ended June 30, 2025	

Un-claimable due to exemption of withholding tax on dividends*

1 st Interim Cash Dividend @ 15% for the Period ended June 30, 2025	(2,383,433)
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Balance Carried Forward

566,704,724

* Out of 424,021,357 paid-up shares, 21,186,068 shares of Meezan Bank Limited are exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividends have been reduced to the extent of dividends paid to Meezan Bank Limited.

** Based on data declared by Sapphire Electric Company Limited.

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