

National Electric Power Regulatory Authority

NOTIFICATION

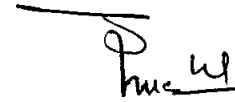


Islamabad, the 16th day of Nov, 2022

S.R.O.

2102 (I)/2022.- In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), NEPRA hereby notifies the decision of the Authority along with schedule regarding reimbursement of 7.5% withholding tax on dividends in respect of Laraib Energy Limited in Case No. NEPRA/TRF-100/2009.

2. While effecting the Decision, the concerned entities including Central Power Purchasing Agency Guarantee Limited (CPPAGL) shall keep in view and strictly comply with the orders of the courts notwithstanding this Decision.


16 Nov 22

(Syed Safeer Hussain)
Registrar





**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF
PASS-THROUGH WITHHOLDING TAX ON DIVIDENDS FOR LARAIB ENERGY
LIMITED (LEL)**

Pursuant to the Decisions of the Authority dated 14th April 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016 dated 28th June 2016, Motion for Recalculation dated 26th May 2016, and the Motion for Leave for Review dated 30th June 2016, actual withholding tax on dividend paid by the power producer will be reimbursed subject to a maximum of 7.5% of 17% return on equity (including return on equity during construction and special return on equity). The Authority hereby allows Laraib Energy Limited (LEL) to claim Rs. 133,255,790/- as a pass-through on account of withholding tax on dividends from Central Power Purchasing Agency Guarantee Limited.

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.

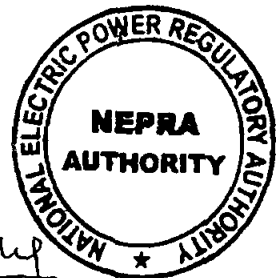
3. CPPA (G) to ensure that all payments are consistent with tariff determination(s).

AUTHORITY

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farpoqi
Chairman



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ANNEX - I

LARAIB ENERGY LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDEND

Sr No.	CPR No.	Payment Date	Dividend Amount agst. Which Tax is being Withheld	Withholding Tax @ 7.5%	Equivalent (USD)*
			R _L	R _T	USD
1	IT-20220218-0101-1340911	18-Feb-2022	422,949,328	31,721,200	180,388
2	IT-20220218-0101-1340912	18-Feb-2022	1,331,684,278	99,876,321	567,963
3	IT-20220218-0101-1340910	18-Feb-2022	22,110,257	1,658,269	9,430
Grand Total			1,776,743,863	133,255,790	757,781

*INBP TT & OD Selling Rate of USD on 18th Feb 2022 was 175.85

WORKING FOR MAXIMUM PASS THROUGH TAX ON DIVIDEND PAYMENT

Withholding Tax Payable = $[17\% * (E_{Ref} - E_{Red}) + ROEDC_{Ref} + SROE_{Ref}] * 7.5\%$

Where

		Amount (USD \$)
Reference Equity	Equity Ref	54,969,129 = $(1.9113 * 470,000,000 / 96.13) / 17\%$
Equity Redemption	Equity Redemption	0
Reference ROEDC	ROEDC CompRef	5,991,241 = $1.2254 * 470,000,000 / 96.13$
Reference SROE	SROE CompRef	2,071,559 = $0.4237 * 470,000,000 / 96.13$

Withholding Tax = $1,305,566 = [17\% * (54,969,129) + 5,991,241 + 2,071,559] * 7.5\%$
 $= [17\% * (E_{Ref} - E_{Red}) + ROEDC_{Ref} + SROE_{Ref}] * 7.5\%$

Withholding Tax Entitled

	Amount (USD \$)
Cummulative Balance Brought Forward of earlier periods	= 3,095,649
Withholding Tax Limit For 9th Agreement Year	= 1,305,566
Total Withholding Tax Pass-Through Limit Available	= 4,401,215
Less: Allowed Claimed	= (757,781)
Total Withholding Tax Limit Carried Forward	= 3,643,434





REGISTRAR

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

NEPRA Tower, G-5/1 (East), Near MNA Hostel, Islamabad

Phone: 9206500, Fax: 2600026

Website: www.nepra.org.pk, Email: info@nepra.org.pk

No. NEPRA/TRF-100/22057-59

16
November , 2022

The Manager
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Shahrah-e-Suharwardi
Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY
ALONG WITH SCHEDULE REGARDING REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS IN RESPECT OF LARAIB ENERGY
LIMITED.**

In pursuance of Sub-Section 7 of Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), enclosed please find herewith 'Decision of the Authority along with schedule regarding reimbursement of 7.5% withholding tax on dividends in respect of Laraib Energy Limited.' for immediate publication in the official gazette of Pakistan. Please also furnish thirty five (35) copies of the Notification to this Office after its publication.

Encl: Notification [03 pages & CD]


16.11.22
(Syed Safeer Hussain)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-e-Haq Road, Block H, G-7/2, Blue Area, Islamabad
2. **Syed Mateen Ahmed**, Deputy Secretary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad [w.r.t. NEPRA's Decision issued vide No. 18929-18931 dated October 4, 2022]

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