

National Electric Power Regulatory Authority


NOTIFICATION

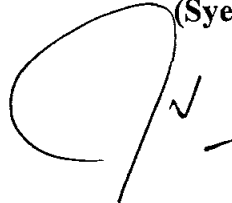


Islamabad, the st 21 day of July, 2022

S.R.O. 1232 (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 in the matter of reimbursement of 7.5% withholding Tax on Dividends for the period December 1, 2021 to November 30, 2022 for Nishat Power Ltd. in Case No. NEPRA/TRF-71/NPL-2007.

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.


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(Syed Safeer Hussain)
Registrar





**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF
7.5% WITHHOLDING TAX ON DIVIDENDS FOR NISHAT POWER LIMITED**


1. Pursuant to the decision of the Authority dated March 22, 2011 in the matter of motion for leave for review against the decision of the Authority dated October 15, 2010 at Commercial Operation Date in the case of Nishat Power Limited (NPL), 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)
December 1, 2021 to November 30, 2022	0.0200

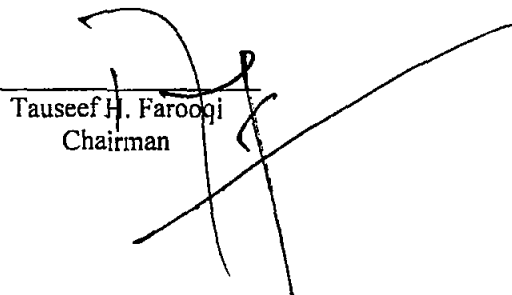
2. The Authority has considered the request of NPL, for reimbursement of withholding tax on dividends @15% for some of their shareholders being not in the active taxpayer list. In the opinion of the Authority, the higher tax rate could be avoided by becoming part of active tax payer list and the failure is on the part of shareholders of NPL. Therefore, there is no justification to allow WHT on dividends @15% instead of normal rate. Accordingly, the same is being allowed @ 7.5%.
3. 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.
4. CPPA (G) to ensure that all payments are consistent with the tariff determination(s).

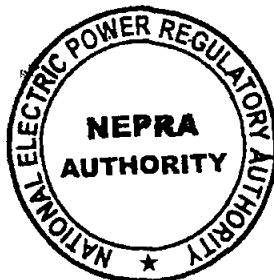
AUTHORITY

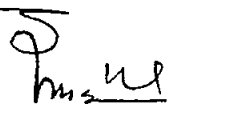

Rehmatullah Baloch
Member


Engr. Maqsood Anwar Khan
Member


Engr. Rafique Ahmad Shaikh
Member


Tauseef H. Farooqi
Chairman




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NISHAT POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld (Rs.)	Withholding Tax Amount Requested			Withholding Tax Amount Allowed		
			Tax Rate	(Rs)	Equivalent (USD)*	Tax Rate	(Rs)	Equivalent (USD)*
IT-20211117-0101-1281372	17-Nov-21	443,809,148	7.5%	33,285,877	189,771	7.5%	33,285,877	189,771
IT-20211117-0101-1281018	17-Nov-21	11,894,449	15%	1,784,448	10,174	7.5%	892,224	5,087
Total		455,703,597		35,070,325	199,945		34,178,101	194,858

*NBP TT & OD Selling Rate of USD on November 17, 2021 was 175.40/-

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	34,178,101
Capacity	kW	195,305
Hours in a year (365 X 24)	No.	8,760
Tariff component of withholding tax on dividend (December 1, 2021 to November 30, 2022)	Rs./kW/Hour	0.0200

Carry Forward of Unclaimed Dividend Tax:

Balance brought forward from 11 th Agreement Year (No. NEPRA/R/ADG(Trf)/TRF-71/NPL-2007/1366-1368 dated January 12, 2021)	USD	1,055,118
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Add:

Maximum Pass Through on Dividend Tax for 12 th Agreement Year (June 9, 2021 to June 8, 2022) (15% x \$45,888,884 + \$1,198,011) x 7.5%		606,101
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Less:

Claimable during 12 th Agreement Year (Final Dividend June 30, 2021)	(194,858)
Unclaimable due to exemption of withholding tax on dividends**	(32,253)
Balance Carried Forward	1,434,107

**Out of 354.088 million paid-up shares, 50.286 million shares of Individuals, Banking and Non Banking Financial Institutions are exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividends has been reduced to the extent of dividends paid to them.





REGISTRAR

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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

No. NEPRA/TRF-71/13456-58

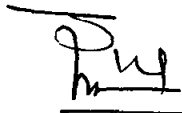
July²¹, 2022

The Manager
Printing Corporation of Pakistan Press (PCPP)
Khayaban-e-Suharwardi,
Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY
ALONG WITH SCHEDULE IN THE MATTER OF
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS
FOR THE PERIOD DECEMBER 1, 2021 TO NOVEMBER 30, 2022
FOR NISHAT POWER LTD.**

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 in the matter of reimbursement of 7.5% withholding Tax on Dividends for the period December 1, 2021 to November 30, 2022 for Nishat Power Ltd.*' 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 (3 Pages) & CD


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(Syed Safeer Hussain)

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AKM Fazl-ul-Haq Road, Block H, G 7/2 Blue Area, Islamabad
2. **Syed Mateen Ahmed**, Deputy Sectary (T&S), Ministry of Energy – Power Division, 'A' Block, Pak Secretariat, Islamabad