

## National Electric Power Regulatory Authority

### NOTIFICATION



Islamabad, the 16<sup>th</sup> day of October, 2023

**S.R.O. 1445 (I)/2023.** - 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 strictly comply with the orders of the courts (if any) notwithstanding this Decision.

(Engr Mazhar Iqbal Ranjha)

*Engr* 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 14<sup>th</sup> April 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016, dated 28<sup>th</sup> June 2016, Motion for Recalculation dated 26<sup>th</sup> May 2016, and the Motion for Leave for Review dated 30<sup>th</sup> 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. 130,566,731/- 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**

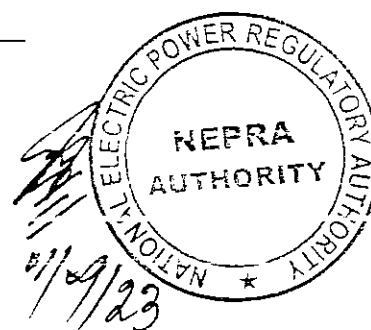
Mathar Niaz Rana (nsc)  
Member

Engr. Rafique Ahmed Shaikh  
Member

Engr. Maqsood Anwar Khan  
Member

Amina Ahmed  
Member

Waseem Mukhtar  
Chairman



**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)*
			Rs	Rs	USD
1	IT-20230224-0101-2167619	24-Feb-2023	1,321,253,331	99,094,000	379,090
2	IT-20230224-0101-2167609	24-Feb-2023	419,656,409	31,472,731	120,401
<b>Grand Total</b>			<b>1,740,889,740</b>	<b>130,566,731</b>	<b>499,490</b>

\*NBP TT to OD Selling Rate of USD on 24 Feb 2023 was 261.40

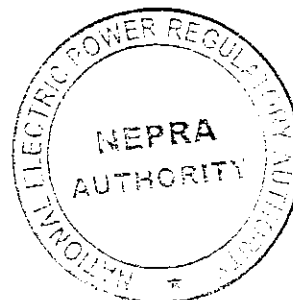
**WORKING FOR MAXIMUM PASS THROUGH TAX ON DIVIDEND PAYMENT**

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

Where		Amount (USD \$)
Reference Equity	<i>Equity Ref</i>	54,969,129 = $(1.9113 * 476,000,000 / 96.13) * 1\%$
Equity Redemption	<i>Equity Redemption</i>	0
Reference ROEDC	<i>ROEDC Complied</i>	5,991,241 = $1.2254 * 476,000,000 / 96.13$
Reference SROE	<i>SROE Complied</i>	2,071,559 = $0.4237 * 476,000,000 / 96.13$
Withholding Tax		1,305,566 = $[17\% * (54,969,129) + 5,991,241 + 2,071,559] * 7.5\%$

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

<u>Withholding Tax Entitled</u>		Amount (USD \$)
Cummulative Balance Brought Forward of earlier periods	=	4,551,734
Total Withholding Tax Pass-Through Limit Available	=	4,551,734
Less: Allowed Claimed	=	(499,490)
Total Withholding Tax Limit Carried Forward	=	<u>4,052,243</u>





REGISTRAR

**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

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October 16, 2023

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Islamabad

Subject: **NORIFICATION 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]

  
(Engr. Mazhar Iqbal Ranjha)

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. 32335-32339 dated September 01, 2023]