



REGISTRAR

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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

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No. NEPRA/TRF-711/132

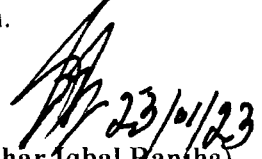
23
January, 2023

The Manager
Printing Corporation of Pakistan Press
Shahrah-e-Suharwardi
Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR THE PERIOD DECEMBER 01, 2022 TO NOVEMBER 30, 2023 FOR NISHAT POWER 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 in the matter of Reimbursement of 7.5% withholding Tax on Dividends for the period December 01, 2022 to November 30, 2023 for Nishat Power 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]


(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. 23440-23442 dated December 12, 2022]

National Electric Power Regulatory Authority

NOTIFICATION



23rd

Islamabad, the day of January, 2023

S.R.O. 69 (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 in the matter of Reimbursement of 7.5% withholding Tax on Dividends for the period December 01, 2022 to November 30, 2023 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.


23/01/23
(Engr. Mazhar Iqbal Ranjha)
Registrar

7th



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, 2022 to November 30, 2023 | 0.0344 |

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

Mathar Naiz Rana

Mathar Naiz Rana
Member

Engr. Maqsood Anwar Khan

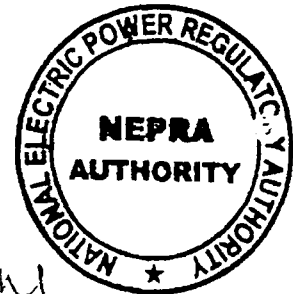
Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi

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 | | | Withholding Tax Amount Allowed | | |
|--------------------------|------------------|---|------------------------|-------------------|-------------------|--------------------------------|-------------------|-------------------|
| | | | Tax Rate | (Rs) | Equivalent (USD)* | Tax Rate | (Rs) | Equivalent (USD)* |
| IT-20221104-0101-1171364 | November 4, 2022 | 766,334,293 | 7.5% | 57,475,678 | 258,434 | 7.5% | 57,475,678 | 258,434 |
| IT-20221104-0101-1171771 | November 4, 2022 | 18,758,031 | 15% | 2,814,074 | 12,653 | 7.5% | 1,407,037 | 6,327 |
| Total | | 785,092,324 | | 60,289,752 | 271,087 | | 58,882,715 | 264,760 |

*NBP TT & OD Selling Rate of USD on November 4, 2022 was 222.40/-

Calculation of Hourly Rate:

| | | |
|---|-------------|------------|
| Withholding tax on dividend | Rs. | 58,882,715 |
| Capacity | kW | 195,305 |
| Hours in a year (365 x 24) | No. | 8,760 |
| Tariff component of withholding tax on dividend (December 1, 2022 to November 30, 2023) | Rs./kW/Hour | 0.0344 |

Carry Forward of Unclaimed Dividend Tax:

| | |
|---|-----------|
| Balance brought forward from 12 th Agreement Year | USD |
| (No. NEPRA/R/ADG(Trf)/TRF-71/NPL-2007/7175-7177 dated May 12, 2022) | 1,137,550 |

Less:

| | |
|---|----------------|
| Claimable during 12 th Agreement Year (Final Dividend June 30, 2022) | (264,760) |
| Unclaimable due to exemption of withholding tax on dividends** | (33,767) |
| Balance Carried Forward | 839,023 |

**Out of 354.088 million paid-up shares, 45.052 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.

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