

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 7th day of February, 2023

S.R.O. 137 (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 regarding reimbursement of 7.5% withholding tax on dividends for the period December I, 2022 to November 30, 2023 in respect of Engro Powergen Qadirpur Ltd. in Case No. NEPRA/TRF-72/EPQL-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.


(Engr. Mazhar Iqbal Ranjha)
Registrar



DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR ENGRO POWERGEN QADIRPUR LIMITED

1. Pursuant to the Authority's decisions dated November 3, 2010, April 1, 2011, May 14, 2012, and September 13, 2013 in the case of Engro Powergen Qadir Limited (Formerly, Engro Enrgy Limited) (hereinafter "EPQL"), 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(s) referred above, the Authority approved following component for withholding tax on dividend for immediate application:

Period	Plant Operation	7.5% Withholding tax on dividend Rs.kW/Hour
December 1, 2022 to November 30, 2023	Gas	0.0994
	HSD	0.1015

2. The Authority has considered the request of EPQL, 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 EPQL. 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 tariff determination(s).

AUTHORITY

Mathar Naiz Rana

Mathar Naiz Rana
Member

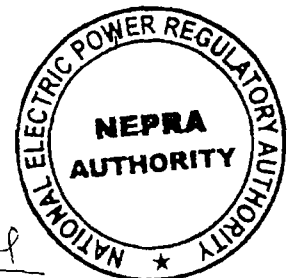
Engr. Maqsood Anwar Khan

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

Tauseef H Farooqi
Chairman



ENGRO POWERGEN QADIRPUR LIMITED
(Formerly Engro Energy Limited)
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is being Withheld	Tax Amount Claimed		Tax Amount Allowed	
			Rs.	Equivalent USD*	Rs.	Equivalent USD*
IT-20220905-0101-1126497	5-Sep-22	1,577,241,960	121,191,168	553,384	118,293,147	540,151
IT-20221110-0101-1414498	10-Nov-22	946,480,052	72,600,240	326,881	70,986,004	319,613
Total		2,523,722,012	193,791,408	880,265	189,279,151	859,764

*NBP Selling Rates of USD as on September 5, 2022 & November 10, 2022 were Rs. 219.00 & Rs. 222.10, respectively.

Calculation of Hourly Rate:

		GAS	HSD
Withholding tax on dividend	Rs.	189,279,151	189,279,151
Capacity	kW	217,298	212,861
Hours in a year	No.	8,760	8,760
Tariff component of withholding tax on dividend (December 1, 2022 to November 30, 2023)	Rs./kW/Hour	0.0994	0.1015

Carry Forward of Limit:

Balance Brought Forward

USD

1,152,384

No. NEPRA/R/ADG/TRF/TRF-72/EPQI.-2007/18976-18978 dated October 5, 2022

Total Limit Available

1,152,384

WHT claimed during 13th Agreement Year (Interim dividend ended June 30, 2022)

(540,151)

WHT claimed during 13th Agreement Year (Interim dividend ended September 30, 2022)

(319,613)

Unclaimable due to exemption of WHT against 1st Interim Dividend

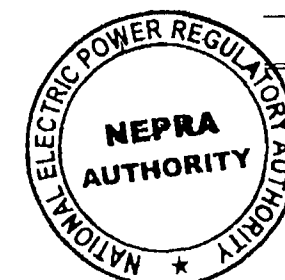
(14,301)

Unclaimable due to exemption of WHT against 2nd Interim Dividend

(8,415)

Balance Carried Forward from 13th Agreement Year

269,905





REGISTRAR

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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

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

No. NEPRA/TRF-72/2015-17

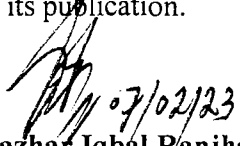
February 7, 2023

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Subject: **DECISION OF THE AUTHORITY REGARDING REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR THE PERIOD DECEMBER 1, 2022 TO NOVEMBER 30, 2023 IN RESPECT OF ENGRO POWERGEN QADIRPUR 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 regarding reimbursement of 7.5% withholding tax on dividends for the period December 1, 2022 to November 30, 2023 in respect of Engro Powergen Qadirpur 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 [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. 23941-23943 dated December 26, 2022]