

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 8th day of June, 2023

S.R.O.

722 (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 in the matter of reimbursement of 7.5% withholding Tax on Dividends for the period February 1, 2023 to January 31, 2024 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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(Engr. Mazhar Iqbal Ranjha)
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)
February 1, 2023 to January 31, 2024	0.0285

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 Niaz Rana

Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan

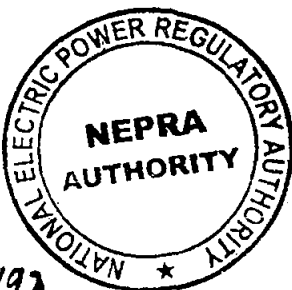
Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed

Amina Ahmed
Member



Tauseef H. Farooq
Chairman

26/4/23

NISHAT POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHODING 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-20221124-0101-2082970	November 24, 2022	634,920,320	7.5%	47,619,224	212,301	7.5%	47,619,224	212,301
IT-20221124-0101-2083431	November 24, 2022	15,329,242	15%	2,299,448	10,252	7.5%	1,149,724	5,126
Total		650,249,562		49,918,672	222,553		48,768,948	217,427

*NBP TT & OD Selling Rate of USD on November 24, 2022 was 224.30/-

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	48,768,948
Capacity	kW	195,305
Hours in a year (365 x 24)	No.	8,760
Tariff component of withholding tax on dividend (February 1, 2023 to January 31, 2024)	Rs./kW/Hour	0.0285

Carry Forward of Unclaimed Dividend Tax:

Balance brought forward from 12th Agreement Year
 (No. NEPRA/R/ADG(Trf)/TRF-71/NPL-2007/23440-23442 dated December 12, 2022)

Less:

Claimable during 13th Agreement Year (Interim Dividend Sep 30, 2022)

Unclaimable due to exemption of withholding tax on dividends**

Balance Carried Forward

**Out of 354.088 million paid-up shares, 28.964 million shares for end-Sep 2022 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.



USD
839,023

(217,427)

(19,369)

602,226

Handwritten signature



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/ 14172-74

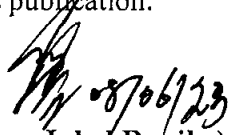
June 8, 2023

The Manager
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Islamabad

Subject: **DECISION OF THE AUTHORITY ALONG WITH SCHEDULE IN THE MATTER OF REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR THE PERIOD FEBRUARY 1, 2023 TO JANUARY 31, 2024 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 February 1, 2023 to January 31, 2024 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 [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.2318-2320 dated April 26, 2023]