

National Electric Power Regulatory Authority

NOTIFICATION



Islamabad, the 12th day of February, 2025

S.R.O. 214 (I)/2025.- 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 dated December 31, 2024 along with schedule of tariff regarding reimbursement of 7.5% withholding tax on dividends for the period from **January 01, 2025 to December 31, 2025** in respect of Sapphire Electric Company Limited in Case No. NEPRA/TRF-125/SECL-2009.

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.


(Wasim Anwar Bhinder)
Registrar



**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR SAPPHIRE ELECTRIC COMPANY LIMITED.**

1. Pursuant to the Decision of the Authority dated November 23, 2012 in the matter of Motion for Leave for Review filed against the decision of the Authority at Commercial Operation Date (COD) in the case of Sapphire Electric Company Limited (SECL), 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.
2. The Authority in its collective and joint wisdom considering all aspects decided with consensus as under; which will be hereafter called as decision of the Authority in the matter:

"Based on information and documentary evidence(s) provided by SECL, the Authority hereby allow SECL to claim Rs. 0.1220/kW/h from Central Power Purchasing Agency Limited i.e. Power Purchaser for the period from January 1, 2025 to December 31, 2025 as a pass-through on the basis of Rs. 226,594,921/- paid as 7.5% withholding tax on dividends."

3. The above decision of the Authority along with revised schedule attached as **Annex-I** are 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

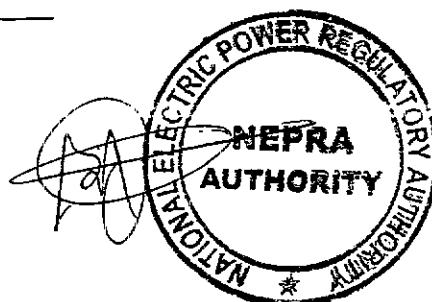
Mathar Niaz Rana (nsc)
Member

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Amina Ahmed
Member

Waseem Mukhtar
Chairman



SAPPHIRE ELECTRIC COMPANY LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount against which Tax is being Withheld (PKR)	WhT Requested		WhT Allowed	
			Rate	Rs.	Rate	Rs.
IT-20231215-0101-1371564	December 15, 2023	477,439,520	7.50%	35,807,964	7.50%	35,807,964
IT-20240419-0101-1411585	April 19, 2024	477,439,519	7.50%	35,807,964	7.50%	35,807,964
IT-20240507-0101-1164752	May 7, 2024	126,813,401	7.50%	9,511,005	7.50%	9,511,005
IT-20240531-0101-1925513	May 31, 2024	126,813,401	7.50%	9,511,005	7.50%	9,511,005
IT-20240704-0101-1084352	July 4, 2024	126,813,401	7.50%	9,511,005	7.50%	9,511,005
IT-20240704-0101-1084354		477,439,519	7.50%	35,807,964	7.50%	35,807,964
IT-20240827-0101-1698382	August 27, 2024	954,879,066	7.50%	71,616,003	7.50%	71,616,003
IT-20240827-0101-1698383		253,626,801	7.50%	19,022,011	7.50%	19,022,011
Total		3,021,264,628		226,594,921		226,594,921

Calculation of Hourly Rate:

Withholding Tax on dividend

Capacity

Hours in a year (365 x 24)

Tariff Component of withholding tax on dividend (January 1, 2025 to December 31, 2025)

Rs.	226,594,921
kW	212,107
Hours	8,760
Rs./kW/Hours	0.1220

Carry Forward of Unclaimed Dividend Tax As Per Applicable Tariff:Balance Brought Forward from 12th Agreement Year (Oct 5, 2021 to Oct 4, 2022)

(As per decision No. NEPRA/R/ADG(Trf)/TRF-125/SECL-2009/16641-45 dated October 17, 2024)

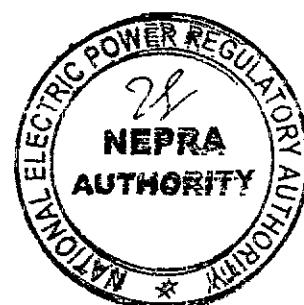
Add: Limit for the 13th Agreement Year (Oct 5, 2022 to Oct 4, 2023)Add: Limit for the 14th Agreement Year (Oct 5, 2023 to Oct 4, 2024)**Maximum Limit Available**Less: Claimed during 13th Agreement Year (Oct 5, 2022 to Oct 4, 2023)1st Interim Cash Dividend @ 15% for the Period Ended June 30, 2023Less: Claimed during 13th Agreement Year (Oct 5, 2022 to Oct 4, 2023)2nd Interim Cash Dividend @ 15% for the Period Ended June 30, 2023Less: Claimed during 13th Agreement Year (Oct 5, 2022 to Oct 4, 2023)3rd Interim Cash Dividend @ 15% for the Period Ended June 30, 2023Less: Claimed during 14th Agreement Year (Oct 5, 2023 to Oct 4, 2024)1st Interim Cash Dividend @ 30% for the Period Ended June 30, 2024

Un-claimable due to exemption of withholding tax on dividends*

1st Interim Cash Dividend @ 15% for the Period Ended June 30, 20232nd Interim Cash Dividend @ 15% for the Period Ended June 30, 20233rd Interim Cash Dividend @ 15% for the Period Ended June 30, 20231st Interim Cash Dividend @ 30% for the Period Ended June 30, 2024**Balance Carried Forward****614,407,166**

*Out of 424,021,347 paid-up Shares, 21,186,068 shares of Meezan Bank Limited are exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividends have been reduced to the extent of dividends paid to Meezan Bank Limited.

**Based on data declared by Sapphire Electric Company Limited.





REGISTRAR

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Islamic Republic of Pakistan

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

No. NEPRA/TRF-125/SECL-2009/ 2340-42

February 12, 2025

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Islamabad

Subject: **NOTIFICATION REGARDING DECISION OF THE AUTHORITY REGARDING REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR THE PERIOD FROM JANUARY 01, 2025 TO DECEMBER 31, 2025 IN RESPECT OF SAPPHIRE ELECTRIC COMPANY 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 of tariff regarding reimbursement of 7.5% withholding tax on dividends for the period from January 01, 2025 to December 31, 2025 in respect of Sapphire Electric Company 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]


(Wasim Anwar Bhinder)
Registrar

CC:

1. Chief Executive Officer, Central Power Purchasing Agency (Guarantee) Limited, 73 East, AK 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. 19954-19958 dated December 31, 2024]