REGISTERED No. M - 302 / L.-7646

The Gazette of Pakistan

EXTRAORDINARY
PUBLISHED BY AUTHORITY

ISLAMABAD, SATURDAY, JULY 30, 2022

PART II

Statutory Notifications (S.R.O.)

GOVERNMENT OF PAKISTAN

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

NOTIFICATION

Islamabad, the 20th July, 2022

S. R. O. 1209(I)/2022.— 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 April 1, 2022 to March 31, 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.

[No. NEPRA/TRF-71/13284-86.]

SYED SAFEER HUSSAIN,
Registrar.

Price: Rs. 6.00

[8696(2022)/Ex. Gaz.]

Withholding Tax on Dividends
No. NEPRA/TRF-71/NPL-2007

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)
April 1, 2022 to March 31, 2023	0.0271

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

Engr. Maqsood Anwar Khan
Member

Engr. Rafique Ahmed Shaikh
Member

Tauseef H. Farooqi
Chairman

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA
AUTHORITY

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Annex-I

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-20220311-0101-1222230	March 11, 2022	602,656,228	7.5%	45,199,405	252,370	7.5%	45,199,405	252,370
IT-20220311-0101-1222550	March 11, 2022	15,205,513	15%	2,280,894	12,735	7.5%	1,140,447	6,368
Total		**617,861,741**		**47,480,299**	**265,105**		**46,339,852**	**258,737**

*NBP TT & OD Selling Rate of USD on March 11, 2022 was 179.10/-

Calculation of Hourly Rate:		
Withholding tax on dividend	Rs.	46,339,852
Capacity	kW	195,305
Hours in a year (365 x 24)	No.	8,760
Tariff component of withholding tax on dividend (April 1, 2022 to March 31, 2023)	Rs./kW/Hour	0.0271

Carry Forward of Unclaimed Dividend Tax:	**USD**
Balance brought forward from 12th Agreement Year (No. NEPRA/R/ADG(Trf)/TRF-71/NPL-2007/1934-1936 dated February 9, 2022)	1,434,107
Less:	
Claimable during 12th Agreement Year (Interim Dividend December 31, 2021)	(258,737)
Unclaimable due to exemption of withholding tax on dividends**	(37,820)
Balance Carried Forward	**1,137,550**

**Out of 354.088 million paid-up shares, 45.158 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.

PRINTED BY THE MANAGER, PRINTING CORPORATION OF PAKISTAN PRESS, ISLAMABAD.
PUBLISHED BY THE DEPUTY CONTROLLER, STATIONERY AND FORMS, UNIVERSITY ROAD, KARACHI.