



PABC

PAKISTAN ALUMINIUM
BEVERAGE CANS LIMITED

✓ **The General Manager**

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

September 25, 2023

Subject: Withholding Tax on Interim Cash Dividend for FY2023

Dear Sir,

On September 2, 2023, declaration of interim cash dividend FYE 31-Dec-2023 was published in national newspapers.

In this context, it is apprised that clause 11A sub-clause Xlii of Part IV of the 2nd Schedule of the Income Tax Ordinance 2001 (ITO-2001) was omitted by the Finance Act, 2022; whereby minimum tax u/s 113 of ITO-2001 was made applicable on the Company. The company had filed a petition challenging the applicability of this minimum tax in the Honourable Islamabad High Court, and this matter is currently sub-judice.

It is also worth noting, the actual rate of withholding tax is contingent upon the decision of the Honourable Court; whereby if the Court finds in favour of the petition, the Company shall be deemed tax-exempted and withhold tax on dividend at rates of 25% for tax filers and 50% for non-filers shall be applicable according to Part I, 1st Schedule, Division III (d) of the ITO-2001; conversely applicable withholding tax rate will be 15% (filer) and 30% (non-filer).

In ongoing legal proceedings w.r.t. applicability of minimum tax and in the light of the ITO-2001, Company will deduct withholding tax based on tax exempt status i.e. 25% (filer) and 50% (non-filer); however, shall deposit 15%/30% (filer/Non-filer) in the government treasury. The differential shall be held in separate account until the Court reaches a decision. If the Court rules that minimum taxation doesn't apply to the company, these funds will be transferred to the government treasury as withholding tax; otherwise, they will be distributed to the shareholders.

A corrigendum has been published in this regard on 22-Sep-23 in national newspapers. You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

For Pakistan Aluminium Beverage Cans Limited

Sohail Akhtar Gogal
Company Secretary

Sohail Akhtar Gogal
Company Secretary
Pakistan Aluminium Beverage Cans Limited

CC: Executive Director / HOD

Off site-II Department, Supervision Division
Securities and Exchange Commission of Pakistan
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