



F/A

OFFICE OF CHIEF EXECUTIVE OFFICER

No. CPPA-G/CEO/2021/8443-47

Date: 06-07-21

Director (Registrar Office),
National Electric Power Regulatory Authority,
NEPRA Tower, G-5/1, Islamabad.

For info & n.e.p.
- Addl Dir-I (RO)
copy to
- AD (CT)
- SA (CT)
- LA (KID)
m.p.

Chairman
- v.c/m (m2)
- m (CAIT)
- m (Lis)

Subject: Tariff Application for Recovery by Star Hydro Power Limited ("SHPL") of Sales Tax on (A) Construction Services and (B) O&M Services, imposed by the Government of Azad Jammu and Kashmir ("GOAJK").

Ref: RIAA Barker Gillette tariff application dated June 28th, 2021.

Dear Sir,

Star Hydro Power Limited ("SHPL"), 147 MW hydro power project located at Patrind Azad Jammu and Kashmir has submitted to CPPA-G the tariff application for the recovery of Sales Tax on (A) construction services, and (B) O&M services.

Pursuant to Regulation 3(1) of the NEPRA (Import of Power) Regulations 2017, following documents are submitted:

- Tariff application by RIAA Barker Gillette representing SHPL.
A cheque for Rs 1,869,440 as the specified fee for the tariff application in the name of National Electric Power Regulatory (NEPRA),
- Board resolution of CPPAG authorising the filing of the tariff application,
- Board resolution of SHPL authorising the filing of the tariff application,
- Vakalatnama empowering RIAA Barker Gillette to represent SHPL in respect of the tariff application and
- Affidavit executed for SHPL in respect of the tariff application.

(Chief Executive Officer)
CPPA-G Islamabad

Copy to:

- Chief Financial Officer (CPPA-G) Islamabad.
- Chief Legal Officer (CPPA-G) Islamabad.
- Chief Technical Officer (CPPA-G) Islamabad.
- CEO Star Hydro Power Limited.
- Master File.

REGISTRAR
Dy. No.: 1657
8-7-2021

RIAA Barker Gillette

RIAA Barker Gillette

RIAA Barker Gillette Chambers
3rd Floor, 65-W, Executive Heights,
Block-H, Fazl-ul-Haq Road,
Blue Area, Islamabad,
Pakistan

T +92 51 111 LAWYER

www.riabarkergillette.com

28 June 2021

Manager Finance

Central Power Purchasing Agency (Guarantee) Limited (CPPAG)
Shaheen Plaza, Plot No. 73-West,
Fazl-ul-Haq Road, Blue Area,
Islamabad

Subject: Tariff Application for Recovery by Star Hydro Power Limited ("SHPL") of Sales Tax on (A) Construction Services and (B) O&M Services, imposed by the Government of Azad Jammu and Kashmir ("GOAJK")

Dear Sir,

We write to submit the attached proposed tariffs for the recovery of sales tax on (A) construction services, and (B) O&M services, pursuant to Regulation 3(1) of the NEPRA (Import of Power) Regulations 2017 ("Import Regulations").

The proposed tariffs are in the form of a draft tariff application ("Tariff Application") for submission to NEPRA under the Import Regulations, along with:

- a cheque for Rs 1,869,440 as the specified fee for the Tariff Application;
- a board resolution of SHPL authorising the filing of the Tariff Application;
- a vakalatnama empowering RIAA Barker Gillette to represent SHPL in respect of the Tariff Application;
- an affidavit executed for SHPL in respect of the Tariff Application;
- a draft cover letter from CPPAG to NEPRA; and
- a draft board resolution for CPPAG (in case the processing of the Tariff Application is not provided for in a prior authorisation).

We request that the Tariff Application be forwarded to NEPRA at the earliest and in any case within the time of 7 days set out in the Import Regulations.



HBL HABIB BANK
ISLAMABAD-CORPORATE
HABIB BANK TOWER BLUEAREA ISLAMABAD
0874

B.C. No. 24367377

Stationary No: 24367377

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PKR *****1,869,440.00

NATIONAL ELECTRIC POWER REGULATORY (NEPRA)

or Order

Pay to Rupees One Million Eight Hundred Sixty Nine Thousand Four Hundred

Forty Only.

Payable at any HBL Branch in Pakistan
Centralised Cheque Payable Account
30019903902586

Signatory 10933
PA No.

Signatory
PA No. 21303

Please do not write below this line.

⑈ 24367377⑈ 0543001:0030019903902586⑈ 010⑈

Account Payee Only



HBL HABIB BANK
ISLAMABAD-CORPORATE 0874
HABIB BANK TOWER BLUEAREA ISLAMABAD

B.C. No. 24367377

Stationary No: 24367377

2 5 0 6 2 1

Pay to NATIONAL ELECTRIC POWER REGULATORY (NEPRA) or Order

Rupees One Million Eight Hundred Sixty Nine Thousand Four Hundred

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PKR *****1,869,440.00

Payable at any HBL Branch in Pakistan
Centralised Cheque Payable Account
30019903902586

[Signature]
Signatory 10933
PA No. *[Signature]*
Signatory
PA No. 21332

Please do not write below this line.

⑈ 24367377⑈054300⑈1:00300⑈19903902586⑈010⑈

FIA



STAR HYDRO

K-water Global

Usman Square, 3rd & 4th Floor,

Main Double Road, E-11/2,

Islamabad-Pakistan.

Tel: +92-51-2304934, 37, 77 & 89

Fax: +92-51-2304991

Email: patrind@patrind.com

Web: www.patrind.com

EXTRACTS OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS OF STAR HYDRO POWER LIMITED ("COMPANY") IN THEIR MEETING HELD ON 28 JUNE 2021 AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT USMAN SQUARE, 3RD & 4TH FLOOR, MAIN DOUBLE ROAD, SECTOR E-11/2, ISLAMABAD, PAKISTAN

RESOLVED THAT the Company be and is hereby authorised to file tariff application(s) ("**Tariff Application**") with Central Power Purchasing Agency (Guarantee) Limited ("**CPPAG**") for submission to the National Electric Power Regulatory Authority ("**NEPRA**") under the relevant NEPRA laws for recovery of sales tax imposed by the government of Azad Jammu and Kashmir on (A) construction services and (B) O&M services, provided to the Company.

FURTHER RESOLVED THAT Hae Dong Choi, Chief Executive Officer of the Company be and is hereby authorized for and on behalf of the Company to sign and file all necessary documents, pay necessary fee, deal with CPPAG and appear before NEPRA as needed and to do all such acts necessary, incidental to or deemed appropriate for processing and completion of the Tariff Application.

CERTIFICATION

CERTIFIED, that, the above resolutions were duly passed at a meeting of the Board of Directors of the Company, at which the quorum of directors was present, and was held on 28 June 2021 at the registered office of the Company situated at Usman Square, 3rd & 4th Floor, Main Double Road, Sector E-11/2, Islamabad, Pakistan.

FURTHER CERTIFIED, that the said resolutions have not been rescinded and are in operation and that this is a true and correct extract and copy thereof.

Hae Dong Choi

Chief Executive Officer

VAKALATNAMA

Date: 28 June 2021

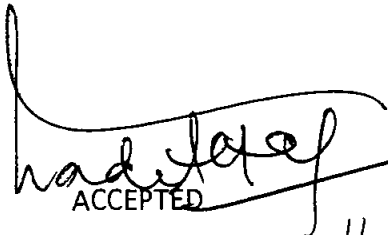
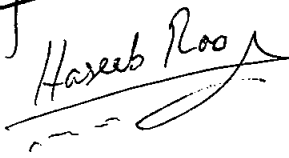
We, **Star Hydro Power Limited** (the "**Company**"), hereby appoint and constitute **Mr Nadir Altaf, Mr Wasee-ul-Hasnain Naqvee, Mr Omair Saleem Malik, Mr Haseeb Rao, Ms Sara Aziz and Mr Waleed Munir** ("**Authorised Persons**") to appear and act for and on behalf of the Company as our advocates in connection with the submission of the Company's tariff application(s) (the "**Tariff Application**") to Central Power Purchasing Agency (Guarantee) Limited ("**CPPAG**") and the processing and presentation of the Tariff Application before the National Electric Power Regulatory Authority ("**NEPRA**") for recovery of the Sales Tax on (A) construction services and (B) O&M services, imposed by the government of Azad Jammu and Kashmir.

We also authorise the said Authorised Persons or any one of them to do all acts and things necessary, incidental to or deemed appropriate for the processing, completion and finalisation of the Tariff Application with CPPAG and NEPRA, as appropriate.

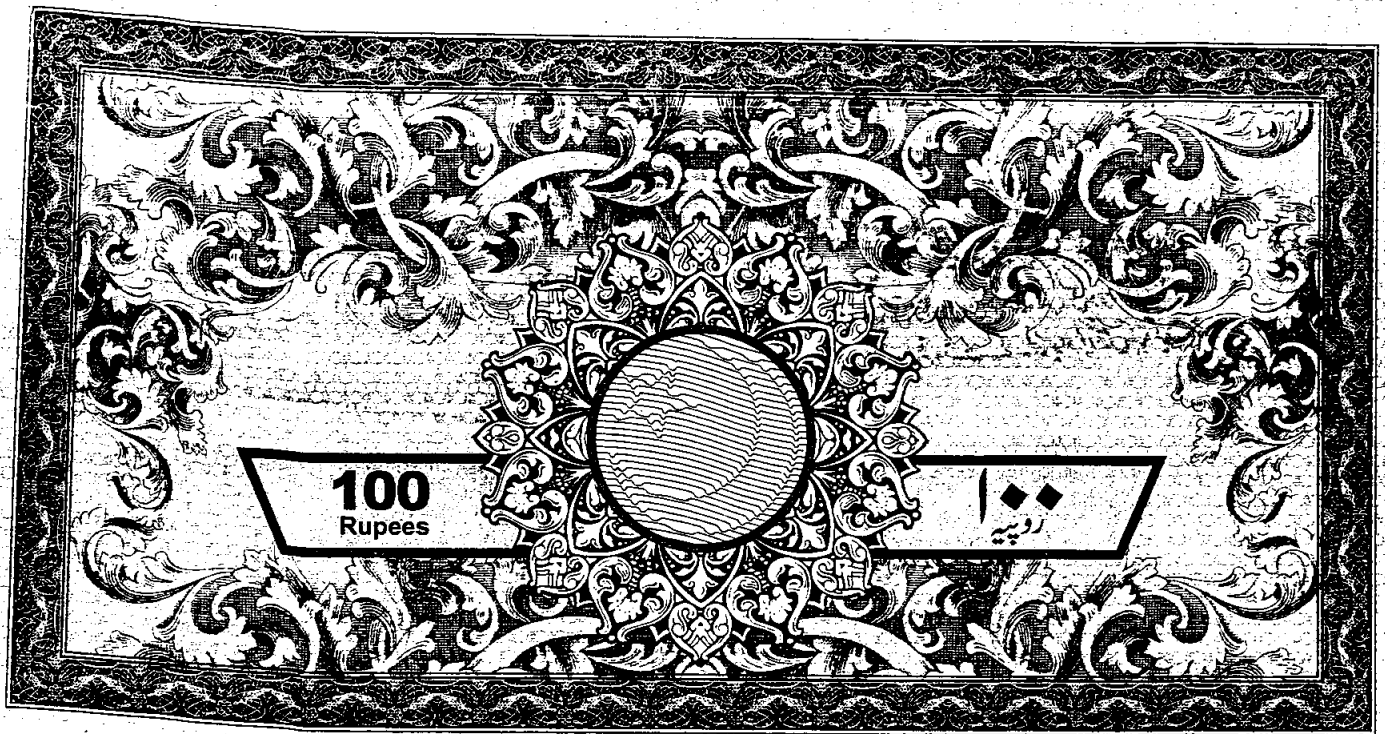
For and on behalf of
Star Hydro Power Limited

Choi Hae Dong

Hae Dong Choi
Chief Executive Officer
Star Hydro Power Limited


ACCEPTED


RIAA BARKER GILLETTE



AFFIDAVIT

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

I, Hae Dong Choi, Chief Executive Officer, Star Hydro Power Limited (SHPL), hereby solemnly affirm and declare that the contents of the **proposed tariff** for recovery of the sales tax on (i) construction services and (ii) O&M services, including all supporting documents, are true and correct to the best of my knowledge and belief and that nothing material has been concealed therefrom.

I also affirm that all further documentation and information to be provided by me in connection with the accompanying proposed tariff will also be true and correct to the best of my knowledge and belief.

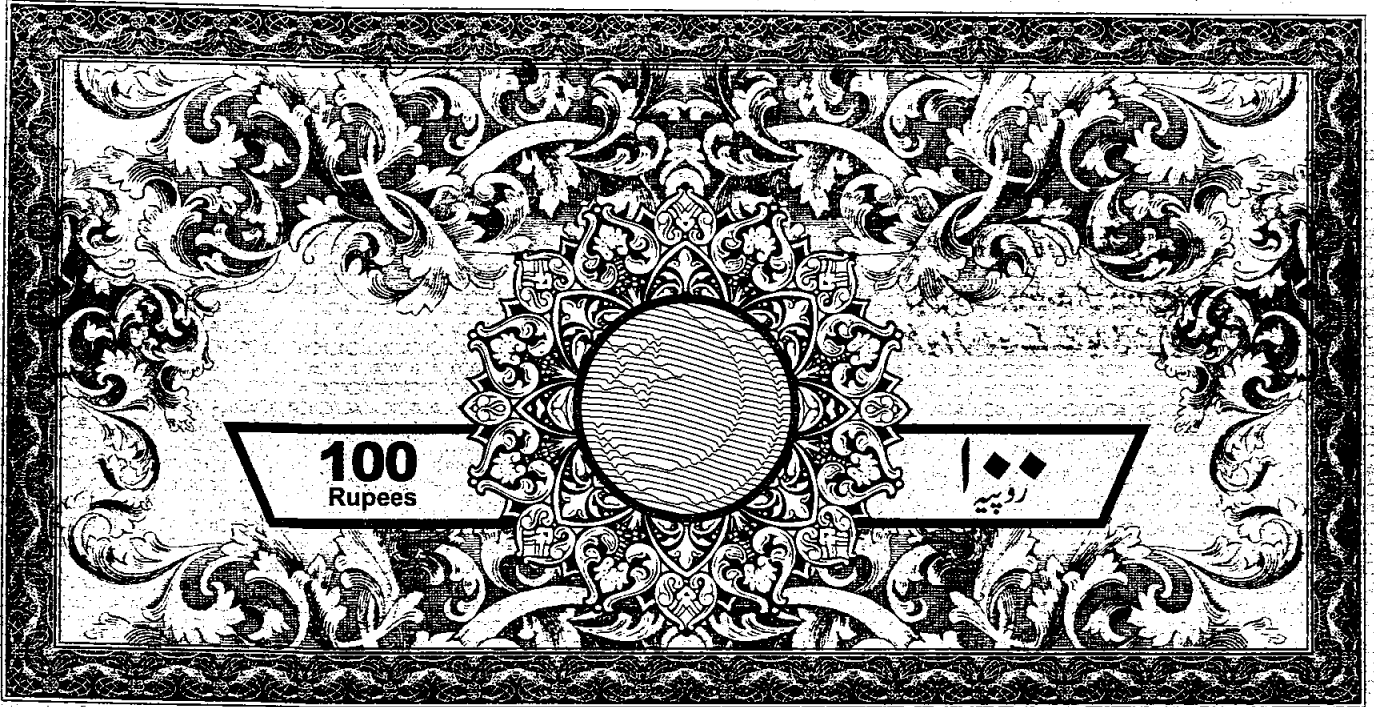
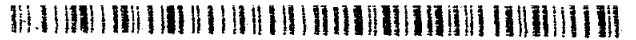
Islamabad
28 June 2021

Hae Dong Choi
Deponent
Hae Dong Choi
Chief Executive Officer

Verified on oath at Islamabad on this 28th day of June 2021 that the contents of the above Affidavit are true and correct to the best of my knowledge and belief.

ATTESTED
UNIQUEAL MAHER
28/06/2021

Hae Dong Choi
Deponent
Hae Dong Choi



AFFIDAVIT

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

I, Hae Dong Choi, Chief Executive Officer, Star Hydro Power Limited (SHPL), hereby solemnly affirm and declare that the contents of the **proposed tariff** for recovery of the sales tax on (i) construction services and (ii) O&M services, including all supporting documents, are true and correct to the best of my knowledge and belief and that nothing material has been concealed therefrom.

I also affirm that all further documentation and information to be provided by me in connection with the accompanying proposed tariff will also be true and correct to the best of my knowledge and belief.

Islamabad
28 June 2021

Choi Hae Dong
Deponent
Hae Dong Choi
Chief Executive Officer

Verified on oath at Islamabad on this 28th day of June 2021 that the contents of the above Affidavit are true and correct to the best of my knowledge and belief.

Choi Hae Dong
Deponent
Hae Dong Choi

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

**TARIFF APPLICATION
UNDER
NEPRA (IMPORT OF POWER) REGULATIONS 2017**

In relation to:

147 MW Hydro Power Project at Patrind, Azad Jammu and Kashmir

Applicant:

Central Power Purchasing Agency (Guarantee) Limited (CPPA-G)

Dated _____

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- A. AJK Sales Tax on Construction Services Notifications
- B. AJK Sales Tax on O&M Services Notification

1. Details of the Applicant and Project Background**1.1. Applicant Name and Address**

Applicant Name	Central Power Purchasing Agency (Guarantee) Limited (“Buyer”)
Applicant Address	Shaheen Plaza, Plot No. 73- West Fazl-e-Haq Road, Blue Area, Islamabad, Pakistan

1.2. Project Background

Star Hydro Power Limited (“Seller”) was incorporated to setup and operate a 147 MW hydropower project (“Project”) at Patrind, Azad Jammu & Kashmir (“AJK”).

The Project has been developed under the Power Policy 2002 with the facilitation of the Government of Pakistan (“GOP”), through the Private Power and Infrastructure Board (PPIB), and the Government of Azad Jammu & Kashmir (“GOAJK”).

The Seller is party to *inter alia* a power purchase agreement with the Buyer (“PPA”), an implementation agreement with the GOP (“GOP-IA”) and an implementation agreement with the GOAJK (“GOAJK-IA”).

1.3. Key Features of the Seller’s Project

Project Company	Star Hydro Power Limited
Capacity	147 MW
Project Type	Independent Power Producer (IPP)
Applicable Policy	Power Policy 2002
Applicable Tariff Regulations	NEPRA (Tariff Standards and Procedure) Rules 1998
LOI issued by	PPIB
Contract Type	PPA
Power Purchaser	National Transmission and Despatch Company Limited (NTDC)
Basis	Build, Own, Operate, Transfer
Location	Patrind, Azad Jammu and Kashmir
Construction Mode	Turnkey EPC
EPC Contractor	Daewoo E&C
Technology	Hydropower
Interconnection	132kV Grid

Part A. Tariff Application – AJK Sales Tax on Construction Services

A.1. Approved Tariff

On 27 January 2012, the Authority approved the Seller's tariff under the Interim Power Procurement (Procedures and Standards) Regulations 2005.

A.2. AJK Sales Tax on Construction Services

Through a series of notifications, the GOAJK has imposed sales tax on services on the construction services ("Services Tax") provided by the Seller's EPC contractor to the Project. The notifications are as follow:

1. notification dated 1 July 2015 imposing Services Tax at the rate of 16%;
2. notification dated 2017 reducing the rate of the Services Tax to 5% with effect from 1 July 2015; and
3. notification dated 3 March 2021 reducing the rate of the Services Tax to 1% with effect from 1 July 2015 (i.e. the effective date of the first notification).

Copies of the Services Tax notifications are enclosed as **Annex A**.

As is evident from condition no. (ii) of the latest notification, the Seller has been precluded from recovering the Services Tax from the GOAJK.

On the basis of the 1% rate and the aggregate of the payments made for the construction services, the total value of the Services Tax payable is PKR 164,846,217./

It is observed that the Authority has given an assurance to another similar AJK-based hydropower project, that it will be treated in a manner similar to the CPEC projects in respect of the Services Tax. In reliance of the principles of fairness and non-discrimination, the Seller seeks treatment similar to the CPEC projects.

A.3. Submission to the Authority

Under the Regulation for Generation, Transmission and Distribution of Electric Power Act 1997 ("**NEPRA Act**"), NEPRA is responsible inter alia, for determining tariffs and other terms and conditions for the supply of electricity through generation, transmission and distribution. NEPRA is also responsible for determining the process and procedures for reviewing tariffs and recommending tariff adjustments. Further, pursuant to the enabling provisions of the NEPRA Act, the procedure for import of electric power has been prescribed in the NEPRA (Import of Power) Regulations 2017 ("**Import Regulations**").

Pursuant to the relevant provisions of the Import Regulations, read with the provisions of the NEPRA Act and the rules and regulations made thereunder; and in view of compliance by the Project Company, submits this tariff Application ("**Tariff Application**") for recovery of the Services Tax as a pass-through item before NEPRA for its approval./

The Buyer and the Seller may raise further grounds following the submission of this Tariff Application.

The Buyer and the Seller may submit further information following the submission of this Tariff Application.

A.4. Proposed Tariff

✓ The proposed tariff is as follows:

The recovery of the Services Tax is sought as a pass-through item.

As per para 10.3(a) of the Seller's approved tariff, tax is to be considered a "*pass-through payment spread over a 12 months period in addition to fixed charges proposed in the Reference Tariff*".

As such, the amount of Services Tax of PKR 164,846,217 is to be spread over a 12-month period. ✓

Part B. Tariff Application – AJK Sales Tax on O&M Services

B.1. Approved Tariff

On 27 January 2012, the Authority approved the Seller's tariff under the Interim Power Procurement (Procedures and Standards) Regulations 2005.

B.2. AJK Sales Tax on O&M Services

² Through the AJK Finance Act 2015, the GOAJK has imposed sales tax on services on the operation and maintenance ("O&M") services ("O&M Services Tax") provided by the Seller's O&M contractor to the Project. The relevant extracts of the AJK Finance Act 2015 are enclosed as **Annex B**.

The O&M Services Tax is a recurring tax, payable on a monthly basis.

On the basis of the 16% rate and the payments being made for the O&M services, the total value of the O&M Services Tax payable from commercial operations date (COD) till 31 December 2020 is as follows:

Services Tax – Fixed O&M (Foreign)	Services Tax – Fixed O&M (Local)	Services Tax – Variable O&M
Rs 180,800,486	Rs 27,735,840	Rs 6,578,826
Total O&M Services Tax		Rs 215,115,152

Being a project developed for the benefit of Pakistan, the Seller seeks treatment of the O&M Services Tax on a non-discriminatory basis.⁶

B.3. Submission to the Authority

Under the Regulation for Generation, Transmission and Distribution of Electric Power Act 1997 ("NEPRA Act"), NEPRA is responsible inter alia, for determining tariffs and other terms and conditions for the supply of electricity through generation, transmission and distribution. NEPRA is also responsible for determining the process and procedures for reviewing tariffs and recommending tariff adjustments. Further, pursuant to the enabling provisions of the NEPRA Act, the procedure for the import of electric power has been prescribed in the NEPRA (Import of Electric Power) Regulations 2017 ("Import Regulations").

⁷ Pursuant to the relevant provisions of the Import Regulations, read with the provisions of the NEPRA Act and the rules and regulations made thereunder; the Buyer submits this tariff application ("Tariff Application") for designation of the O&M Services Tax as a pass-through item to the Authority for its approval. ✓

As the O&M Services Tax has been imposed after the determination of the Seller's tariff, the Seller has not been able to make provision for the same. As such, this Tariff Application seeks that the Authority designates the O&M Services Tax as a tax reimbursable by the Buyer.

The Buyer and the Seller may raise further grounds following the submission of this Tariff Application.

The Buyer and the Seller may submit further information following the submission of this Tariff Application.

B.4. Proposed Tariff

^ The proposed tariff is as follows:

The payment of the O&M Services Tax is sought as a pass-through item.

As per para 10.3(a) of the Seller's approved tariff, reimbursement of tax is to be considered a "*pass-through payment spread over a 12 months period in addition to fixed charges proposed in the Reference Tariff*".

As such, the amount of O&M Services Tax paid for each month is to be spread over the following 12-month period. ^

2. Prayer

It is prayed to the Authority that:

1. the proposed tariffs as set out in Part A and Part B of this Tariff Application are approved by the Authority;
and
2. any other relief that the Authority deems to be just and appropriate may also be granted.

Signed

For and on behalf of

CENTRAL POWER PURCHASING AGENCY (GUARANTEE) LIMITED

Name: _____

Position: _____

Checklist

=

NEPRA (Import of Electric Power) Regulations 2017

Star Hydro Power Limited
Tariff Application
(AJK Sales Tax on Construction and O&M Services)

No.	Requirement	Information
1.	Reg. 3(1)(a) – name and address of the applicant	<i>Star Hydro Power Limited Usman Square, 3rd & 4th Floor, Main Double Road, Sector E-11/2 Islamabad Pakistan</i>
2.	Reg. 3(1)(b) – authorization from the competent authority to file application along with affidavit as to the correctness of the information	<i>Board Resolution has been attached with the Tariff Application. Affidavit has been attached with the Tariff Application.</i>
3.	Reg. 3(1)(c) – demand which is going to be met through the proposed Import of Power	<i>Power acquisition request (PAR) and contract have already been approved by NEPRA.</i>
4.	Reg. 3(1)(d) – details of the Seller including but not limited to name, address, description of generation facilities etc	<i>Star Hydro Power Limited 147 MW hydroelectric generation facility near Patrind, Azad Jammu and Kashmir.</i>
5.	Reg. 3(1)(e) – comprehensive Tariff Proposal including proposed Rates for Import of Power, details of project cost, tariff break-up and tariff assumptions	<i>Power acquisition request (PAR) and contract have already been approved by NEPRA.</i>
6.	Reg. 3(1)(f) – source of power generation, where applicable	<i>147 MW hydroelectric generation facility near Patrind, Azad Jammu and Kashmir.</i>
7.	Reg. 3(1)(g) – capacity and/or the estimated annual energy to be imported	<i>147 MW</i>
8.	Reg. 3(1)(h) – feasibility study of the project, if applicable	<i>Power acquisition request (PAR) and contract have already been approved by NEPRA.</i>
9.	Reg. 3(1)(i) – proposed interconnection arrangement with approximate distance	<i>Interconnection is already in place.</i>
10.	Reg. 3(1)(j) – augmentation required in existing transmission network and/or the grid, if any	<i>N/A, see above.</i>

11.	Reg. 3(1)(k) – estimated costs of the interconnection arrangement and augmentation required in the transmission network	<i>N/A, see above.</i>
12.	Reg. 3(1)(l) – technology, indicating primary fuel, alternate primary fuel and back up fuel, where applicable	<i>Hydroelectric</i>
13.	Reg. 3(1)(m) – undertaking from the Seller to comply with the grid code, distribution code and other applicable documents	<i>Power acquisition request (PAR) and contract have already been approved by NEPRA.</i>
14.	Reg. 3(1)(n) – expected commercial operations date	<i>Complex is already commissioned.</i>
15.	Reg. 3(1)(o) – expected duration of Import of Power	<i>Up till 2042, subject to extension.</i>
16.	Reg. 3(1)(p) – adequacy of the transmission system of the national grid company or Distribution Company, as the case may be, to import the electric power	<i>Interconnection is already in place.</i>
17.	Reg. 3(1)(q) – summary of evidence giving brief particulars of the data, facts and evidence in support of the application	<i>Please refer to the Tariff Application.</i>
18.	Reg. 3(2) – application fee	<i>Cheque for fee of Rs 1,869,440 is attached to the Tariff Application.</i>

AZAD GOVT. OF THE STATE OF JAMMU AND KASHMIR
Law, Justice, Parliamentary Affairs and Human Rights Department

"Muzaffarabad"
Dated: 14.07.2015

No. LD/Legis-Act/256-66/2015. The following Act is passed by Assembly on 27th day of June 2015, which received the assent of the President on the 08th day of July 2015 is hereby published for general information.

[Act VI of 2015]

An
Act

to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir

WHEREAS it is expedient to make provisions to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir to make, consolidate and amend certain fiscal laws for the purposes hereinafter appearing;

It is hereby enacted as follows:

1. **Short title, Extent and Commencement.**- (1) This Act may be called the Azad Jammu and Kashmir Finance Act, 2015.
 - (2) It shall extend to the whole of Azad Jammu and Kashmir.
 - (3) It shall come into force at once.
2. **Adaptation of the Amendments of Sales Tax Act, 1990 (Act VIII of 1990).**- (1) In the Sales Tax Act, 1990 (Act VIII of 1990), as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the "said Act", except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act except amendment made in Section 13(2)(a) of said Act and all rules, notifications, circulars and orders made or issued thereunder, as enforced in Pakistan at any time on or after the 7th of July, 2014 and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu & Kashmir by virtue of the Sales Tax (Adaptation) Act, 1993 (Act IV of 1993).
 - (2) Notwithstanding any judgment or decision of any court, including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, appointments made, powers exercised or powers conferred on any authority on or after the 7th of July, 2014, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly levied, charged, collected, initiated, issued, taken, passed, made, imposed, exercised or conferred, done and so much of such tax have not been levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with said amendments.
3. **Adaptation of the Amendments in Federal Excise Act, 2005.**- (1) In the Federal Excise Act, 2005, as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the

	(d) any of the Government under grant-in-aid agreement; and conveying public service messages, if telecast on television by the World Wide Fund for Nature (WWF) or United Nations Children's Fund (UNICEF)		
3	Services provided by persons authorized to transact business on behalf of others,- (a) stevedore; (b) customs agents; and (c) chandlers	9805.2000 9805.4000 and 9805.8000	Sixteen Percent
4	Courier Services and cargo services by road provided by courier companies.	9808.0000 9804.9000	Sixteen Percent
5	Constructions services, excluding,- (i) construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs.50 million per annum; (ii) the cases where sales is otherwise paid as property developers or promoters; (iii) Government civil works including Cantonment Boards; (iv) construction of industrial zones, consular buildings and other organizations exempt from income tax; (v) construction work under international tenders against foreign grants in aid; (vi) Residential construction projects where the covered area does not exceed 10,000 square feet for houses and 20,000 square feet for apartments	9824.0000 and 9814.2000	Sixteen Percent
6	Services provided by property developers and promoters (including allied services) excluding the actual purchase value or documented cost of land	9807.000 and respective sub-headings of heading 98.14	Rs.100 per square yard for land development and Rs.50 per square feet for building construction
7	Services provided by persons engaged in contractual execution of work, excluding,- (i) annual total value of the contractual works or supplies not exceeding Rs.50 million,-	9809.0000	Sixteen Percent

ANNEX A 2



AZAD JAMMU & KASHMIR COUNCIL
OFFICE OF THE COMMISSIONER INLAND REVENUE
(PROVINCIAL TAXES)
HEADQUARTER, MIRPUR (AK)

NO.CIR-4/ 429-37 /2017

DATED: 05-08-2017

To

All Officers of Inland Revenue
(Provincial Taxes)
Azad Kashmir

SUBJECT: CIRCULATION OF NOTIFICATION REGARDING AZAD JAMMU & KASHMIR SALES TAX (TAX ON SERVICES) ACT, 2001

I am directed to refer to the above noted subject and to enclose herewith Notification No.FD/Tax/8296-8385/2017 dated 25.05.2017 issued by the Finance Department, Government of AJ&K, Muzaffarabad regarding levy of reduced rates of sales tax on Services rendered by different service providers under Azad Jammu & Kashmir Sales Tax (Tax on Services) Act, 2001.

The above Notification is hereby circulated to all for record, information and its onward implementation accordingly.

Encl: (01)

(Talat Mahmood)
Staff Officer to
Commissioner Inland Revenue

Copy to:

The Additional Commissioner Inland Revenue (IV)(PT), Mirpur

Encl: (01)

Mr. Talat
11/8/17
Supintendent
11-08-17

(Talat Mahmood)
Staff Officer to
Commissioner Inland Revenue

1033
11/5/17

AZAD GOVERNMENT OF THE STATE OF JAMMU & KASHMIR
FINANCE DEPARTMENT

Muzaffarabad
Dated 25-05-2017

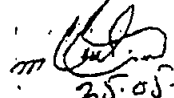
Notification:

No FD/Tax/8296-8385/2017- In exercise of the powers conferred by clause (a) of sub-section (2A) of section 3 of the Azad Jammu & Kashmir Sales Tax (Tax on Services) Act, 2001 read with clause (b) of sub-section (2) of Section 3 of the sales Tax Act, 1990, the Azad Government of the State of Jammu & Kashmir is pleased to direct that Sales Tax on services as specified in column (2) of the table below shall be levied at the rates specified in column (4) subject to the conditions mentioned therein, namely:-

S.No	Service Description	PCT Heading	Conditions
(1)	(2)	(3)	(4)
1	Construction Services, excluding: (i) Construction projects (industrial and commercial) of the value (excluding actual and documented cost of land) not exceeding Rs. 50 million per annum. (ii) the cases where sales tax is otherwise paid as property developers or promoters. (iii) Government civil works including cantonment Boards. (iv) Construction of industrial zones, consular buildings and other organizations exempt from income tax. (v) Residential construction projects where the covered area does not exceed 10,000/- square feet for houses and 20,000/- square feet for apartments.	9824.0000 and 9814.2000	Five percent subject to the condition that no input tax adjustment or refund shall be admissible
2.	Services provided for personal care by beauty parlours, clinics and slimming clinics, body massage centres, pedicure centres, including cosmetic and plastic surgery by such parlours/clinics, but excluding cases where: (i) annual turnover does not exceed Rs.3.6 million; or (ii) The facility of air-conditioning is not installed or available in the premises.	9810.0000 9821.4000 and 9821.5000	Five percent subject to the condition that no input tax adjustment or refund shall be admissible
3.	Services provided by freight forwarding agents and packers and movers	9805.3000 and 9819.1400	Five percent or Rs. 1000 per bill of lading, whichever is higher subject to the condition that no input tax adjustment or refund shall be admissible.
4.	Services provided by tour operators and travel agents including all their allied services or facilities (other than Hajj and Umrah)	9805.5100, 9805.5000 and 9803.9000	Five percent subject to the condition that no input tax adjustment or refund shall be admissible
5.	Services provided by specialized workshops or undertaking (auto-workshops, workshops for industrial machinery, construction and earth moving machinery or other special purpose machinery etc. workshops for electric or electronic equipments or appliances etc including computer hardware, car washing or similar service stations and other workshops)	98.20	Five percent subject to the condition that no input tax adjustment or refund shall be admissible

29-


6.	Services provided by health clubs, gyms, physical fitness centres, indoor sports and games centres and body or sauna massage centres.	9821.1000, 9821.2000 and 9821.4000	Five percent subject to the condition that no input tax adjustment or refund shall be admissible
7.	Services provided by laundries and dry cleaners	9811.0000	Five percent subject to the condition that no input tax adjustment or refund shall be admissible
8.	Services provided by property dealers and realtors.	-	Five percent subject to the condition that no input tax adjustment or refund shall be admissible
9.	Services provided by car/automobile dealers	-	Five percent subject to the condition that no input tax adjustment or refund shall be admissible


25.05.17
Majid Iqbal

Deputy Secretary Finance (Tax)
Ph# 05822-921027

Copy to:-

1. Secretary to the President, Azad Jammu & Kashmir.
2. Principle Secretary to the Prime Minister, Azad Government of the State of Jammu & Kashmir.
3. PS to all Ministers/Advisers/Special Assistant, Azad Government of the State of Jammu & Kashmir.
4. PS to the Chief Secretary Azad Government of the State of Jammu & Kashmir.
5. PS to the Secretary Finance Azad Government of the State of Jammu & Kashmir.
6. PS to the Senior Member Board of Revenue Azad Government of the State of Jammu & Kashmir.
7. PS to the Additional Chief Secretary (Development).
8. PS to the Additional Chief Secretary (General).
9. All Secretaries to the Government of Azad Jammu & Kashmir.
10. The Accountant General, Azad Jammu & Kashmir, Muzaffarabad.
11. Registrar Supreme Court / High Court / Shariat Court / Service Tribunal.
12. Ombudsman Azad Jammu & Kashmir.
13. Secretary Azad Jammu & Kashmir Legislative Assembly.
14. Secretary Azad Jammu & Kashmir Election Commission.
15. Director General Audit, Azad Jammu & Kashmir.
16. Commissioner Inland Revenue, Azad Jammu & Kashmir (Mirpur)
17. Director Local Funds Audit.
18. Director IT Finance.
19. The Controller, Govt. Printing Press: for publication in the official Gazette.
20. Master File.


Abdul Rafiq
Section Officer Finance (Tax)



ANNEX A3

46/2021



FINANCE DEPARTMENT
AZAD GOVT. OF THE STATE OF JAMMU & KASHMIR
MUZAFFARABAD

March 03, 2021

NOTIFICATION:-

No: FDT-1(136)/19/ 3545-3644 /2021. In exercise of the powers conferred by clause (a) of sub-section (2-A) of Section 3 of the Azad Jammu & Kashmir Sales Tax (Tax on Services) Act, 2001 read with clause (b) of sub-section (2) of Section 3 of the Sales Tax Act, 1990, as adapted and enforced in Azad Jammu & Kashmir, the Azad Government of the State of Jammu & Kashmir is pleased to direct that sales tax on services as specified in column (2) of the table below shall be levied at the rates specified in column (4) subject to conditions mentioned after the table:

Sr. No.	Service Description	PCT Heading	Rate
(1)	(2)	(3)	(4)
1	Construction services rendered by M/s Daewoo E&C Co. Ltd. in respect of construction of 147 MW-Patrinid Hydropower Project, owned by M/s Star Hydropower Limited.	9824.0000 and 9814.2000	One percent

- Reduction of GST on Construction Services in favor of 147MW Patrinid Hydropower Project from 5% to 1% w.e.f 01-07-2015;
- No input tax adjustment or refund shall be allowed/ admissible to the 147MW Patrinid Hydropower Project and no one will be entitled to claim adjustment/ refund of tax paid under Notification;
- The Department of Inland Revenue shall reconcile the figure with the M/s Star Hydropower Limited for collection of due tax amount as per Law;
- The relevant clauses of the Agreement shall be amended accordingly by the concerned authorities of government of AJ&K and the Project owner M/s Star Hydropower Limited.

Section Officer Finance
(Taxes)

Copy to:-

- Secretary to the President, Azad Govt. of the State of Jammu & Kashmir.
- Principle Secretary to the Prime Minister, Azad Jammu & Kashmir.
- PS to all the Ministers, Azad Govt. of the State of Jammu & Kashmir.
- PS to the Chief Secretary, GoAJ&K, Muzaffarabad.
- PS to Additional Chief Secretary (Development), Azad Govt. of the State of Jammu & Kashmir.
- PS to Additional Chief Secretary (General)/ Chairman AJ&K CBR GoAJ&K.
- PS to the Senior Member Board of Revenue, Azad Govt. of the State of Jammu & Kashmir.
- PS to the Secretary Finance, GoAJ&K, Muzaffarabad.
- All secretaries to Azad Govt. of the State of Jammu & Kashmir.
- The Accountant General, Azad Govt. of the State of Jammu & Kashmir, Muzaffarabad.
- Registrar Supreme Court/ High Court/ Service Tribunal.
- Ombudsman, Azad Jammu & Kashmir.
- Secretary, Azad Jammu & Kashmir Legislative Assembly.
- Secretary, Azad Jammu & Kashmir Election Commission.
- Director General Audit, Azad Govt. of the State of Jammu & Kashmir, Muzaffarabad.
- The Commissioner Inland Revenue (Direct & Indirect Taxes), Headquarters, Mirpur.
- Director General Audit Azad Jammu & Kashmir.
- The Director IT, Finance Department.
- The Controller, Govt. Printing Press for publication in the official Gazette.
- Master File.

Section Officer Finance
(Taxes)



AZAD GOVT. OF THE STATE OF JAMMU AND KASHMIR
Law, Justice, Parliamentary Affairs and Human Rights Department

"Muzaffarabad"
Dated 14.07.2015

No. LD/Legis-Act/256-66/2015. The following Act is passed by Assembly on 27th day of June 2015, which received the assent of the President on the 08th day of July 2015 is hereby published for general information.

[Act VI of 2015]

An
Act

to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir

WHEREAS it is expedient to make provisions to give effect to the financial proposals of Azad Government of the State of Jammu and Kashmir to make, consolidate and amend certain fiscal laws for the purposes hereinafter appearing;

It is hereby enacted as follows:

1. **Short title, Extent and Commencement.**- (1) This Act may be called the Azad Jammu and Kashmir Finance Act, 2015.
 - (2) It shall extend to the whole of Azad Jammu and Kashmir.
 - (3) It shall come into force at once.
2. **Adaptation of the Amendments of Sales Tax Act, 1990 (Act VIII of 1990).**- (1) In the Sales Tax Act, 1990 (Act VIII of 1990), as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the "said Act", except otherwise legislated by an Act of the Assembly, all the amendments made in the said Act except amendment made in Section 13(2)(a) of said Act and all rules, notifications, circulars and orders made or issued thereunder, as enforced in Pakistan at any time on or after the 7th of July, 2014 and before the commencement of this Act, shall also, as far as practicable, be deemed to have been made, at the same time, in the said Act, as enforced in the Azad Jammu & Kashmir by virtue of the Sales Tax (Adaptation) Act, 1993 (Act IV of 1993).
 - (2) Notwithstanding any judgment or decision of any court, including Supreme Court and High Court of Azad Jammu and Kashmir, anything done, tax levied, charged or collected, proceedings initiated, notices issued, orders passed, penalties imposed, appointments made, powers exercised or powers conferred on any authority on or after the 7th of July, 2014, in accordance with the amendments made in the said Act, as enforced in Pakistan, shall be deemed always to have been validly levied, charged, collected, initiated, issued, taken, passed, made, imposed, exercised or conferred, done and so much of such tax have not been levied, charged, paid or collected, before coming into force of this Act, shall be leviable, chargeable and recoverable in accordance with said amendments.
3. **Adaptation of the Amendments in Federal Excise Act, 2005.**- (1) In the Federal Excise Act, 2005, as adapted and enforced in Azad Jammu and Kashmir, hereinafter referred to as the

	for industrial machinery, construction and earth-moving machinery or other special purpose machinery etc; workshops for electric or electronic equipments or appliances etc including computer hardware; car washing or similar service stations and other workshops).		
24	Services provided for specified purposes including fumigation, services, maintenances and repair (including building and equipment maintenance and repair including after sale services) or cleaning services, janitorial services, dredging or desilting services and other similar services etc.	98.22	Sixteen Percent
25	Services provided by underwriters, indenters, commission agents including brokers (other than stock) and auctioneers	9819.1100 9819.1200 9819.1300 and 9819.9100	Sixteen Percent
26	Services provided by laboratories other than services relating to pathological or diagnostic tests for patients.	98.17	Sixteen Percent
27	Services provided by health clubs, gyms, physical fitness centers, indoor sports and games centers and body or sauna massage centers	9821.1000 and 9821.2000 9821.4000	Sixteen Percent
28	Services provided by laundries and dry cleaners.	9811.0000	Sixteen Percent
29	Services provided by cable TV operators. Technical analysis and testing services.	9819.9000 9819.9400	Sixteen Percent
30	Services provided by TV or radio program producers or production houses.	--	Sixteen Percent
31	Transportation through pipeline and conduit services.	--	Sixteen Percent
32	Fund and asset (including investment) management services	--	Sixteen Percent
33	Services provided by Inland port operators (including airports and dry ports) and allied services provided at ports and services provided by terminal operators including services in respect of public bonded warehouses, excluding the amounts received by way of fee under any law or by-law.	--	Sixteen Percent
34	Technical inspection and certification services and quality control (standards certification) services.	--	Sixteen Percent
35	Erection, commissioning and installation services.	--	Sixteen Percent
36	Event management services	--	Sixteen Percent
37	Valuation services including competency and	--	Sixteen Percent



Central Power Purchasing Agency Guarantee Limited
A Company of Government of Pakistan



No. CPPA-G/2016/CS/ 87-88

24th February, 2016

Board Resolution IV / 14

ISSUANCE OF GENERAL POWER OF ATTORNEY TO CHIEF LEGAL OFFICER CPPA-G.

A meeting of Board of Directors of Central Power Purchasing Agency (Guarantee) Limited was held on 18th February 2016 at 2nd floor, Ministry of Water and Power, A Block, Pak Secretariat Islamabad.

The Board of Directors of Central Power Purchasing Agency Guarantee Limited (CPPA-G) has Resolved as under;

Resolved that "Chairman Board of Directors CPPA (G) Ltd. be and is hereby authorized to sign on behalf of the Board of Directors CPPA (G) Ltd. a General Power of Attorney in favour of the Chief Legal Officer CPPA (G) Ltd. and in his absence in favour of the Chief Executive Officer CPPA-G for litigation and ancillary matters filed by or against CPPA before any court and/or any competent authority and issue power of attorney to file, commence, prosecute and defend all cases or legal proceedings etc."

CERTIFIED TO BE TRUE COPY

Certified that the above resolution was passed by the Board of Directors of Central Power Purchasing Agency (Guarantee) Limited in its 14th meeting held on 18th February 2016 and has been duly recorded in the minutes book of the Company.



Noman Rafiq
Company Secretary

Distribution:

- i. Chief Legal Officer.

CC for Information:

- i. Chief Executive Officer, CPPA (G) Ltd.

GENERAL POWER OF ATTORNEY

KNOW ALL MEN by these presents that I, Muhammad Younus Dagher, Chairman of Central Power Purchasing Agency Guarantee Limited, a company incorporated under the Laws of Pakistan and having registered office at 6th Floor, Shaheed e Millat Building, Blue Area, Islamabad (the "Company") for and on behalf of the Directors of the Company, in exercise of the Authority conferred by Resolution of the Board of Directors of the Company passed in their 14th Meeting held on *Thursday 18th February, 2016*, do and hereby appoint the Chief Legal Officer, (the "Attorney") as the Attorney of the Company and for and on behalf of the Company, and in his absence the Chief Executive Officer of the Company, to do the following acts, deeds, and things:

- A. For and on behalf of the Company to file, commence, prosecute and defend all cases or legal proceedings including suits, actions, appeals, revisions, reviews, objections, petitions, execution applications, or any other application in any court, tribunal, authority or office against any persons(s) or institution claiming any right in respect of the Company and arrange or submit to arbitration disputes and to take all necessary actions, including but not limited to the appointing and engaging of legal counsel(s) and/or other agents, in this regard.
- B. To incur all miscellaneous administrative, legal or other expenditure in the ordinary course of day to day business that the Attorney may consider necessary and expedient.
- C. To appoint from time to time any person in Pakistan upon such terms, as the Attorney may think fit as his substitute or substitutes to do, execute and perform all or any such matters and things as aforesaid and at pleasure to remove such substitute or substitutes and appoint another or others in his or their place.
- D. And for more effectually removing any doubt which may arise as to the true meaning of this Deed or as to the construction or application of the Power hereby granted, the Company hereby declare that the power hereby granted shall not in any case be deemed to revoke any powers or authorities hereto before given to the Attorney or to any other person or persons or be deemed to be limited to such transactions and matters as are herein expressly mentioned but the same are intended to do extend and shall in all cases extend to any matters or transactions not herein precisely mentioned or defined which in the course of Company's general business as aforesaid may by the Attorney be deemed to be requisite or expedient to be done or performed, provided always that in the event of the Attorney ceasing to be in employment of the Company as Chief Legal Officer he shall ipso facto cease to be the Attorney for the Company and the powers hereby conferred on him shall be revoked.

E. The Company hereby ratify and confirm and agree to ratify and confirm all that the Attorney or any substitute or substitutes or agent or agents of the said Attorney appointed by him under the power in that behalf hereinbefore contained shall lawfully do or purport to do under or by virtue of these presents and this General Power of Attorney shall be deemed to be effective from the date Chief Legal Officer is appointed in the Company.

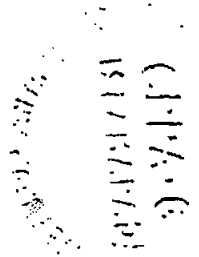
IN WITNESS our hands given under the Common Seal of the Company on this 22nd APRIL 2016.

THE COMMON SEAL
of Central Power Purchasing Agency
Guarantee Limited was hereunto
Affixed in the presence of;


FOR AND ON BEHALF
THE BOARD OF DIRECTORS

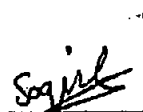


Chairman/Director



WITNESSES

1. 
NOMAN RAZIQ
CNIC 35402-4052054-1

2. 
Syed Saqib HUSSAIN
CNIC 37405-9091356-3