



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/TRF-92/HUBCO-2008/1251-1253  
February 7, 2014

**Subject: Decision of the Authority in the Matter of Reimbursement of 7.5% Withholding Tax on Dividends for Hub Power Company Ltd. (HUBCO) (Case No. NEPRA/TRF-92/HUBCO-2008)**

Dear Sir,

Please find enclosed herewith the decision of the Authority along with schedule of tariff (Annex-I) (02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from 1<sup>st</sup> January 2014 to 31<sup>st</sup> December 2014 in respect of Hub Power Company Limited in Case No. NEPRA/TRF-92/HUBCO-2008.

2. The decision is being intimated to the Federal Government for the purpose of notification of adjustment in the approved tariff through the official Gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority Tariff (Standards and Procedure) Rules, 1998.

3. Please note that tariff schedule to be notified in the official Gazette is attached as Annex-I.

Enclosure: As above

( Syed Safeer Hussain )

Secretary,  
Ministry of Water & Power,  
Government of Pakistan  
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



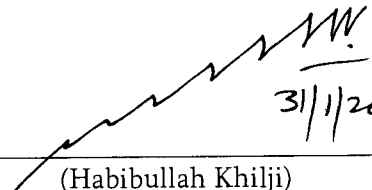
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%  
WITHHOLDING TAX ON DIVIDENDS FOR Hub Power Company Limited  
(HUBCO)**


Pursuant to decision of the Authority dated 8<sup>th</sup> June 2012 in case No. NEPRA/TRF-92/HUBCO-2008 regarding HUB Power Company Limited (hereinafter "HUBCO"), based on information submitted by HUBCO, 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
1-Jan-2014 to 31-Dec-2014	0.0690

The schedule attached as Annex-I is to be notified in the official gazette in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

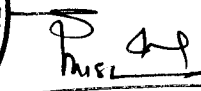
**AUTHORITY**

  
31/1/2014  
(Habibullah Khilji)  
Member

  
(Maj (R) Haroon Rashid)  
Member

  
03.02.14  
(Khawaja Muhammad Naeem)  
Vice Chairman



  
06.02.14

## HUB POWER COMPANY LIMITED

(Narowal Project)

## REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS

Description	Formula	Unit	FY 2010-11	FY 2011-12		FY 2012-13		Total
			Final	Interim	Final	Interim	Final	
Hub - Project Company Equity Return	A	PKR	1,369,890,168	3,668,701,518	3,997,013,940	4,109,160,306	4,541,878,260	17,686,644,192
Narowal - ROE & ROEDC	B	PKR	228,707,307	584,352,031	511,928,619	599,218,162	616,540,085	2,540,746,203
Total	C	PKR	1,598,597,475	4,253,053,549	4,508,942,559	4,708,378,468	5,158,418,345	20,227,390,396
Ratio								
Hub - Project Company	D=A/C	%	85.69%	86.26%	88.65%	87.27%	88.05%	
Narowal- Project	E=B/C	%	14.31%	13.74%	11.35%	12.73%	11.95%	
Total	F=D+E	%	100.00%	100.00%	100.00%	100.00%	100.00%	
Withholding tax paid	G	PKR	203,531,411	179,822,170	175,656,651	196,943,276	255,119,181	1,011,072,689
Exempted Withholding Tax	H	PKR	56,828,326	80,537,567	84,703,086	106,809,751	135,420,425	464,299,154
HUBCO Narowal - portion								
Withholding tax paid	I=G*E	PKR	29,118,725	24,706,825	19,943,405	25,064,253	30,492,137	129,325,346
	J=I/O	USD	328,654	272,102	208,613	254,977	288,478	1,352,824
Unclaimable due to WHT exemption	K=H*E	PKR	8,130,285	11,065,530	9,616,874	13,593,288	16,185,605	58,591,582
	L=K/O	USD	91,764	121,867	100,595	138,284	153,128	605,637
Actual Tax Payment Date	M		2-Dec-11	15-May-12	2-Nov-12	18-Apr-13	11-Oct-13	
Tax Challan Number(s)	N		1014380	1180838	1024634	1463610	3099750-51 3099734-35	
NBP TT&OD Selling Rate of USD	O	Rs.	88.60	90.80	95.60	98.30	105.70	

## Calculation of Hourly Rate:

Withholding tax on dividend

Capacity

Hours in a year

Withholding tax on dividend

Reimbursement Period of 12 months (1-Jan-14 to 31-Dec-14)

## Carry Forward of Unclaimed Dividend Tax:

## Maximum Limit Available:

1st Agreement Year (22-04-2011 to 21-04-2012)

2nd Agreement Year (22-04-2012 to 21-04-2013)

3rd Agreement Year (22-04-2013 to 21-04-2014)

[15% x \$80,053,802 + \$2,460,342] x 7.5%

## Less claimed:

1st Agreement Year (22-04-2011 to 21-04-2012)

2nd Agreement Year (22-04-2012 to 21-04-2013)

3rd Agreement Year (22-04-2013 to 21-04-2014)

Less Un-claimable due to exemption of WHT on Dividend

Balance Carried Forward for 3rd Agreement Year

Rs.	129,325,346
kW	213,820
No.	8,760
Rs./kW/Hour	0.0690

USD	USD
1,085,131	
1,085,131	
1,085,131	3,255,393

1,352,824	1,352,824
	605,637
	1,296,932

