



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/TRF-92/HUBCO-2008/5656-5658  
April 21, 2017

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)**

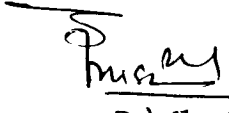
Dear Sir,

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> April 2017 to 31<sup>st</sup> March 2018 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. The schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above

  
21.04.17  
( 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.



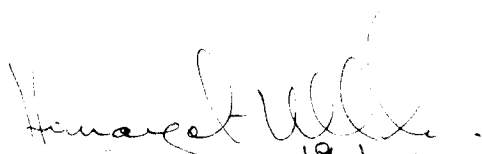
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5% WITHHOLDING  
TAX ON DIVIDENDS FOR HUB POWER COMPANY LIMITED- NAROWAL  
(HUBCO)**

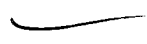
Pursuant to decision of the Authority dated 8<sup>th</sup> June 2012 in case No. NEPRA/TRF-92/HUBCO-2008 regarding HUB Power Company Limited (hereinafter "HUBCO"), based on information submitted by HUBCO, withholding tax on dividend is a pass through item and the power purchaser shall make payment on 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:

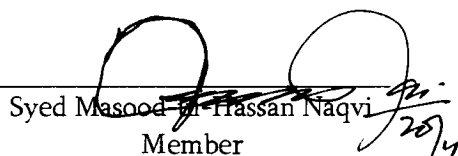
| Period  | 7.5% Withholding tax on<br>Dividend<br>Rs./kW/Hour |
|---|--|
| 1 <sup>st</sup> April 2017 to 31 <sup>th</sup> March 2018 | 0.0117   |

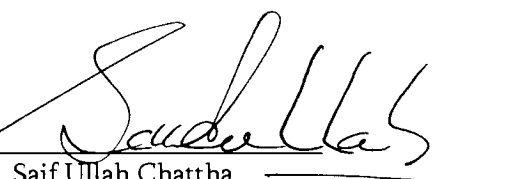
The schedule attached as Annex-I is to be notified in the official gazette in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

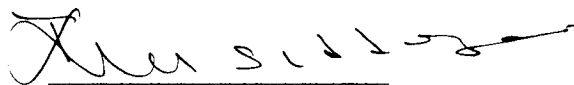
**AUTHORITY**

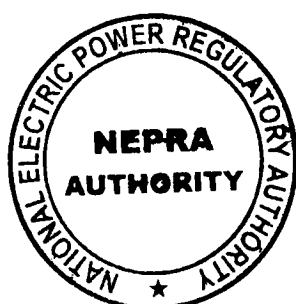
  
Himayat Ullah Khan  
Member

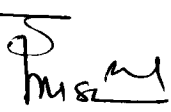
  
Maj (R) Haroon Rashid  
Member

  
Syed Masood Ali Hassan Naqvi  
Member

  
Saif Ullah Chattha  
Vice Chairman  
19.4.2017

  
Brig (R) Tariq Saddozai  
Chairman



  
21.

## HUB POWER COMPANY LIMITED

(Narowal Project)

## REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS

| Description                         | Formula | Unit | FY 2015-16<br>Final   | FY 2016-17<br>1st Interim   | Total         |
|-------------------------------------|---------|------|---|---|---------------|
| Hub - Project Company Equity Return | A       | PKR  | 2,870,001,111   | 2,796,855,570   | 5,666,856,681 |
| Narowal - ROE & ROEDC               | B       | PKR  | 378,205,365   | 381,879,658   | 760,085,023   |
| Total                               | C       | PKR  | 3,248,206,476   | 3,178,735,228   | 6,426,941,704 |
| <b>Ratio</b>                        |         |      |   |   |               |
| Hub - Project Company               | D=A/C   | %    | 88.36%  | 87.99%  |               |
| Narowal- Project                    | E=B/C   | %    | 11.64%  | 12.01%  |               |
| Total                               | F=D+E   | %    | 100.00%   | 100.00%   |               |
| Total Withholding tax paid          | G       | PKR  | 101,404,694   | 84,498,315  | 185,903,009   |
| Total Exempted Withholding Tax      | H       | PKR  | 53,602,517  | 45,681,554  | 99,284,071    |
| <b>HUBCO Narowal - portion</b>      |         |      |   |   |               |
| Withholding tax paid                | I=G*E   | PKR  | 11,807,069  | 10,151,266  | 21,958,336    |
|                                     | J=I/O   | USD  | 112,986   | 97,048  | 210,035       |
| Unclaimable due to WHT exemption    | K=H*E   | PKR  | 6,241,216   | 5,487,987   | 11,729,203    |
|                                     | L=K/O   | USD  | 59,725  | 52,466  | 112,191       |
| Actual Tax Payment Date             | M       |      | 14-Nov-16   | 6-Jan-17  |               |
| Tax Challan Number(s)               | N       |      | IT-20160704-1027-1010890, IT-20160704-1027-1010889, IT-20160704-1027-1010886, IT-20160704-1027-1010888 & IT-20160704-1027-1010887 | IT-20151022-1027-1188059, IT-20151022-1027-1188060, IT-20151022-1027-1188061 & IT-20151022-1027-1188063 |               |
| NBP TT&OD Selling Rate of USD       | O       | Rs.  | 104.50  | 104.60  |               |

**Maximum Limit Available:**

Balance carried forward from 5th Agreement Year

As per decision dated November 29, 2016

5th Agreement Year (22-04-2015 to 21-04-2016)

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

USD

979,362

1,085,131

**2,064,493****Less claimed:**

6th Agreement Year's Interim Dividends (22-04-2016 to 21-04-2017)

(210,035)

Less Un-claimable due to exemption of WHT on Dividend

(112,191)

**Balance Carried Forward****1,742,267****Calculation of Hourly Rate:**

Withholding tax on dividend

Rs.

Rs.

Rs

21,958,336

Capacity

kW

kW

213,820

Hours in a year

No.

No.

8,760

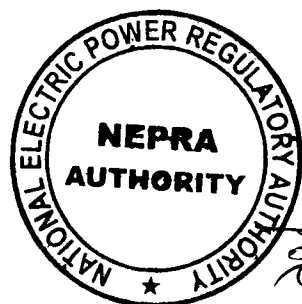
Withholding tax on dividend

Rs./kW/Hour

Rs./kW/Hour

**0.0117**

Reimbursement Period of 12 months (1st April 2017 to 31st March 2018)



21.04.17