



National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-100/Laraib-2009/12426-12428
September 5, 2016

Subject: Decision of the Authority in the Matter of Reimbursement of Pass Through Withholding Tax on Dividends for Laraib Energy Limited (Case No. NEPRA/TRF-100/2009)

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 in respect of Laraib Energy Limited in Case No. NEPRA/TRF-100/2009.

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

(Syed Safer 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.

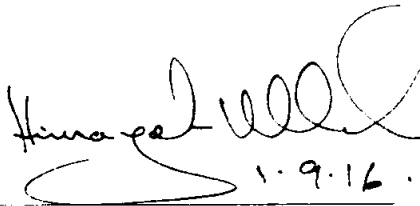


DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF PASS THROUGH WITHHOLDING TAX ON DIVIDENDS FOR LARAIB ENERGY LIMITED (LEL)

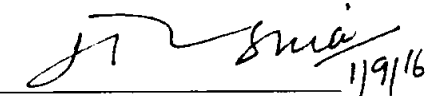
In accordance to the Decisions of the Authority dated 14th April 2016 in the matter of tariff adjustment at Commercial Operation Date (COD), 26th May 2016 in the matter of Motion for Recalculation and June 30, 2016 in the matter of Motion for Review filed by LEL against the Decision of the Authority dated 14th April 2016, actual withholding tax on dividend paid by the power producer will be reimbursed subject to maximum of 7.5% of 17% return on equity (including return on equity during construction and special return on equity). The Authority hereby directs the Central Power Purchasing Agency Guarantee Limited to pay Rs. 50,101,392/- (Rupees Fifty Million, One Hundred One Thousand, Three Hundred and Ninety Two only) to Laraib Energy Limited (LEL) as pass through withholding tax @7.5% on dividend.

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.

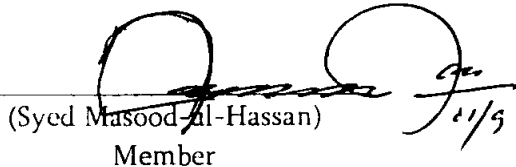
AUTHORITY


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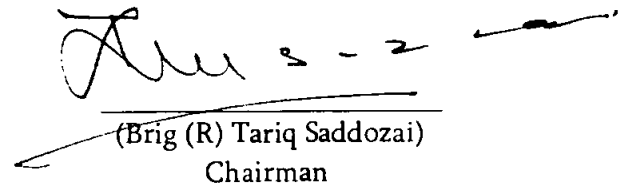
(Himayat Ullah Khan)
Vice Chairman


11/9/16

(Maj (R) Haroon Rashid)
Member

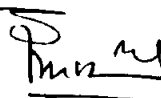

11/9

(Syed Masood-ul-Hassan)
Member


11/9/16

(Brig (R) Tariq Sadozai)
Chairman




05.09.16

LARAIB ENERGY LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDEND

Sr No.	CPR No	Payment Date	Dividend Amount agst. Which Tax is being Withheld		Withholding Tax @ 7.5%	Equivalent (USD)*
			Rs	Rs	Rs	USD
1	IT-20160719-2123-1111704	15-Jul-2016	659,705,586		49,477,918	473,473
2	IT-20160719-2123-1111705	15-Jul-2016	8,312,995		623,474	5,966
Grand Total			668,018,581		50,101,392	479,439

*NBI TT & OD Selling Rate of USD on 15th July 2016 was 104.5

WORKING FOR MAXIMUM PASS THROUGH TAX ON DIVIDEND PAYMENT

Withholding Tax Payable = $[17\% * (E_{Ref} - E_{Red}) + ROEDC_{Ref} + SROE_{Ref}] * 7.5\%$

Where		Amount (USD \$)	
Reference Equity	Equity Ref	54,969,129	$(1.9113 * 470,000,000 / 96.13) * 17\%$
Equity Redemption	Equity Redemption	0	
Reference ROEDC	ROEDC ComplRef	5,991,241	$1.2254 * 470,000,000 / 96.13$
Reference SROE	SROE ComplRef	2,071,559	$0.4237 * 470,000,000 / 96.13$

Withholding Tax 1,305,566 = $[17\% * (54,969,129) + 5,991,241 + 2,071,559] * 7.5\%$
= $[17\% * (E_{Ref} - E_{Red}) + ROEDC_{Ref} + SROE_{Ref}] * 7.5\%$

Withholding Tax Entitled

	Amount (USD \$)
Withholding Tax Limit For 1st Agreement Year (23-Mar-2013 to 22-Mar-2014)	= 1,305,566
Withholding Tax Limit For 2nd Agreement Year (23-Mar-2014 to 22-Mar-2015)	= 1,305,566
Total Withholding Tax Pass-Through Limit Available	= 2,611,133
Less: Allowed Claimed	= (1,471,075)
No NEPRA TRF-100 Larab-2009/0134-0136 dated June 28, 2016	
Balance Carry Forward from 2nd Agreement Year	= 1,140,058
Withholding Tax Limit For 3rd Agreement Year (23-Mar-2015 to 22-Mar-2016)	= 1,305,566
Total Withholding Tax Pass-Through Limit Available	= 2,445,624
Less: Allowed Claimed in 3rd Agreement Year	= (866,483)
No NEPRA TRF-100 Larab-2009/0139-0141 dated July 15, 2016	
Less: Allowed Claimed in 3rd Agreement Year	= (479,439)
Total Withholding Tax Limit Carried Forward	= 1,099,702

