



**National Electric Power Regulatory Authority**  
**Islamic Republic of Pakistan**

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/TRF-100/Laraib-2009/3583-3585

March 16, 2017

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)**

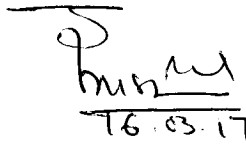
Dear Sir,

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

  
16.03.17  
( 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 14<sup>th</sup> April 2016 in the matter of tariff adjustment at Commercial Operation Date (COD), 26<sup>th</sup> 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 14<sup>th</sup> 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. **99,159,008/-** (Rupees Ninety Nine Million, One Hundred Fifty Nine Thousand and Eight 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**

(Himayat Ullah Khan)  
Vice Chairman

(Maj (R) Haroon Rashid)  
Member

(Syed Masood ul Hassan)  
Member

(Saif Ullah Chattha)  
Member

(Brig (R) Tariq Saddozai)  
Chairman

  
16.03.17

**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)*
			<i>Rs</i>	<i>Rs</i>	<i>USD</i>
1	IT-20170210-2123-1081021	10-Feb-2017	314,727,307	23,604,548	225,665
2	IT-20170210-2123-1081020	10-Feb-2017	990,939,998	74,320,500	710,521
3	IT-20170210-2123-1081019	10-Feb-2017	16,452,802	1,233,960	11,797
<b>Grand Total</b>			<b>1,322,120,107</b>	<b>99,159,008</b>	<b>947,983</b>

\*NBP TT & OD Selling Rate of USD on 10th February 2017 was 104.6

**WORKING FOR MAXIMUM PASS THROUGH TAX ON DIVIDEND PAYMNET**

**Withholding Tax Payable = [17% \* (E<sub>Ref</sub> - E<sub>Red</sub>) + ROEDC<sub>Ref</sub> + SROE<sub>Ref</sub>] \* 7.5%**

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

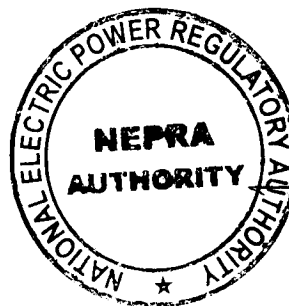
**Withholding Tax** **1,305,566** = [17% \* (54,969,129) + 5,991,241 + 2,071,559] \* 7.5%  
= [17% \* (E<sub>Ref</sub> - E<sub>Red</sub>) + ROEDC<sub>Ref</sub> + SROE<sub>Ref</sub>] \* 7.5%

**Withholding Tax Entitled**

	Amount (USD \$)
Balance Brought Forward from 3rd Agreement Year	= 1,099,702
Withholding Tax Limit For 4th Agreement Year (23-Mar-2016 to 23-Mar-2017)	= 1,305,566
<b>Total Withholding Tax Pass-Through Limit Available</b>	<b>= 2,405,268</b>
Less: Allowed Claimed in 4th Agreement Year	= (947,983)
<b>Total Withholding Tax Limit Carried Forward</b>	<b>= 1,457,285</b>

VS

HA



16/03/17