



Registrar

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.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-100/Laraib-2009/13155-13157
August 17, 2018

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)

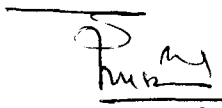
Dear Sir,

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(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

3. The schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above


17 08 18
(Syed Safer Hussain)

Secretary,
Ministry of Energy (Power Division),
Government of Pakistan
'A' Block, Pak Secretariat,
Islamabad.

CC:

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

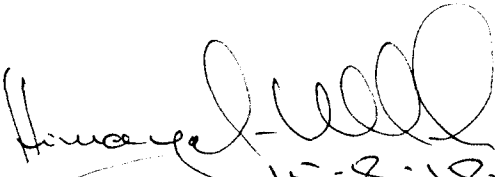



**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF PASS THROUGH
WITHHOLDING TAX ON DIVIDENDS FOR LARAIB ENERGY LIMITED (LEL)**

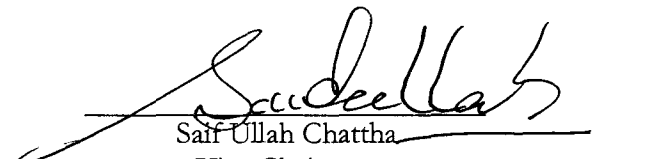
Pursuant to the Decisions of the Authority dated 14th April, 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016 dated 28th June 2016, Motion for Recalculation dated 26th May 2016, and Decision of the Authority in the matter of Motion for Leave for Review dated 30th June, 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. **83,502,323/-** (Rupees Eighty Three Million Five Hundred Two Thousand Three Hundred and Twenty Three) to Laraib Energy Limited (LEL) as a pass through on account of withholding tax on dividend.

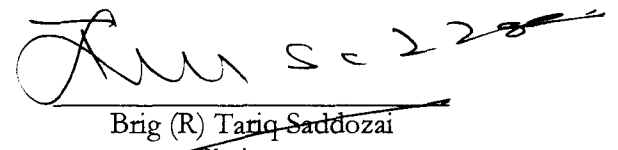
The schedule attached as Annex-I is to be notified in the official gazette, in accordance with the provisions of Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

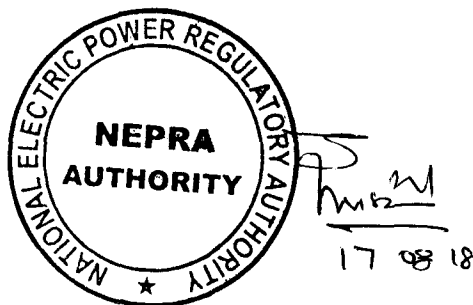
AUTHORITY


15-8-18
Himayat Ullah Khan
Member


16/8/2018
Rehmatullah Baloch
Member


16-8-2018
Saif Ullah Chattha
Vice Chairman


22/8/18
Brig (R) Tariq Sadozai
Chairman



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	USD
1	IT-20180630-2123-1336205	30-Jun-2018	265,033,522	19,877,514	163,466
2	IT-20180630-2123-1336203	30-Jun-2018	834,475,788	62,585,684	514,685
3	IT-20180630-2123-1336206	30-Jun-2018	13,854,991	1,039,124	8,545
Grand Total			1,113,364,301	83,502,323	686,697

*NBP TT & OD Selling Rate of USD on 29th June 2018 was 121.60

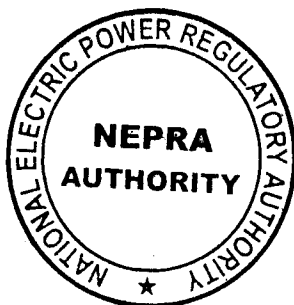
WORKING FOR MAXIMUM PASS THROUGH TAX ON DIVIDEND PAYMNET

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 CompRef	5,991,241	-1.2254*470,000,000/96.13
Reference SROE	SROE CompRef	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 \$)
Balance Brought Forward from 5th Agreement Year (NEPRA/TRF-100/Laraib-2009/16946-16948 October 13, 2017)	= 2,268,169
Withholding Tax Limit For 6th Agreeemnt Year (23-Mar-2018 to 22-Mar-2019)	= 1,305,566
Total Withholding Tax Pass-Through Limit Available	= 3,573,735
Less: Allowed Claimed in 6th Agreement Year	= (686,697)
Total Withholding Tax Limit Carried Forward	= 2,887,039



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