



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-100/Laraib-2009/22131-22133
November 1, 2019

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


(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)**

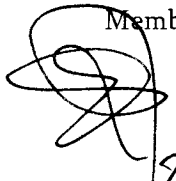
Pursuant to the Decisions of the Authority dated 14th April, 2016 in the matter of tariff adjustment at Commercial Operation Date (COD) notified vide S.R.O No 585(1)/2016 dated 28th June 2016, Motion for Recalculation dated 26th May 2016, and the Motion for Leave for Review dated 30th June, 2016, actual 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. **52,188,952/-** (Rupees Fifty Two Million, One hundred Eighty-Eight Thousand and Nine Hundred Fifty Two only) to Laraib Energy Limited (LEL) as a pass through on account of withholding tax on dividend.


2. 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.
3. CCPA (G) to ensure that all payments are consistent with tariff determination(s).

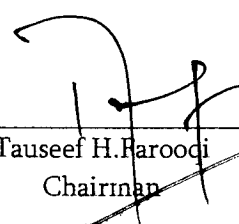
AUTHORITY

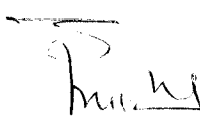

Saif Ullah Chattha 28.10.2019
Member

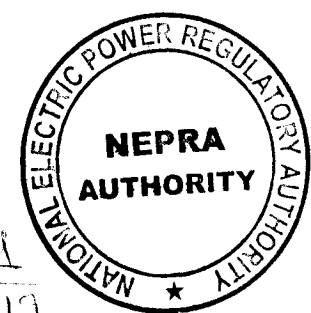

Rafique Ahmed Shaikh 28/10/19
Member


28/10/19
Rehmatullah Baloch
Member


Engr. Bahadur Shah
Member


Tauseef H. Faroodi
Chairman


28/10/19



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-20190629-2123-1425123	28-Jun-2019	521,547,368	39,116,053	237,788
2	IT-20190629-2123-1425132	28-Jun-2019	8,659,369	649,453	3,948
3	IT-20190629-2123-1425120	28-Jun-2019	165,645,951	12,423,446	75,522
Grand Total			695,852,688	52,188,952	317,258

*NBP TT & OD Selling Rate of USD on 28th June 2019 was 164.50

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 6th Agreement Year (NEPRA/TRF-100/Laraib-2009/5595-5597, April 04, 2019)	= 2,299,663
Withholding Tax Limit For 7th Agreement Year (23-Mar-2019 to 22-Mar-2020)	= 1,305,566
Total Withholding Tax Pass-Through Limit Available	= 3,605,229
Less: Allowed Claimed in 7th Agreement Year	= (317,258)
Total Withholding Tax Limit Carried Forward	= 3,287,971

