



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-100/Laraib-2009/16946-16948

October 13, 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)

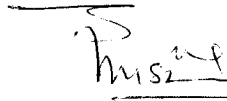
Dear Sir,

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


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(Syed Safeer Hussain)

Secretary,
Ministry of Energy,
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. **52,188,952/-** (Rupees Fifty Two Million, One Hundred Eighty Eight Thousand and Nine Hundred Fifty 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

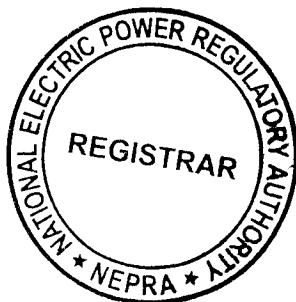
(Himayat Ullah Khan)
Member

(Maj (R) Haroon Rashid)
Member

(Syed Muneed ul Hassan)
Member

(Saif Ullah Chattha)
Vice Chairman

(Brig (R) Tariq Saddozai)
Chairman


13 x 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-20170911-2123-1045227	07-Sep-2017	165,645.951	12,423.446	117.758
2	IT-20170911-2123-1045228	07-Sep-2017	521,547.368	39,116.053	370.768
3	IT-20170918-2123-1139690	15-Sep-2017	8,659.370	649.453	6.156
Grand Total			695,852,689	52,188.952	494,682

*NBP TT & OD Selling Rate of USD on 7th and 15th September 2017 was 105.5

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	<i>Equity Ref</i>	54,969.129	$= (1.9113 * 470,000,000 / 96.13) / 17\%$
Equity Redemption	<i>Equity Redempuon</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 $= [17\% * (54,969.129) + 5,991.241 + 2,071.559] * 7.5\%$
 $= [17\% * (E_{Ref} - E_{Red}) + ROEDC_{Ref} + SROE_{Ref}] * 7.5\%$

Withholding Tax Entitled

Amount (USD \$)

Balance Brought Forward from 4th Agreement Year (NEPRA/TRF-100/Laraib-2009/3583-3585 March 16, 2017)	=	1,457,285
Withholding Tax Limit For 5th Agreeemnt Year (23-Mar-2017 to 22-Mar-2018)	=	1,305,566
Total Withholding Tax Pass-Through Limit Available	=	2,762,851
Less: Allowed Claimed in 5th Agreement Year	=	(494,682)
Total Withholding Tax Limit Carried Forward	=	2,268,169

