



# National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

Registrar

No. NEPRA/TRF-70/NCPL-2007/8637-8639

September 27, 2011

Subject: **Decision of the Authority in the Matter of Reimbursement of 7.5% Withholding Tax on Dividends for Nishat Chunian Power Ltd. (Case No. NEPRA/TRF-70/NCPL-2007)** - Intimation of Decision of Tariff pursuant to Section 31 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997)

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 for the period 1<sup>st</sup> August 2011 to 31<sup>st</sup> July, 2012 in respect of Nishat Chunian Power Ltd. in Case No. NEPRA/TRF-70/NCPL-2007.

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.

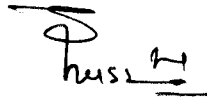
3. Please note that only schedule of tariff (Annex-I) is required to be notified in the official Gazette.

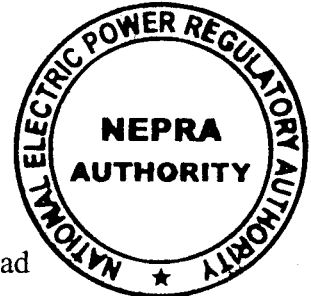
Enclosure: As above

Secretary,  
Ministry of Water & Power,  
Government of Pakistan  
Islamabad.

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, Islamabad.

  
( Syed Safer Hussain )





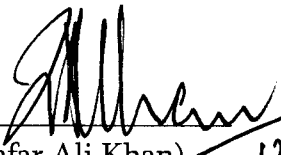
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%  
WITHHOLDING TAX ON DIVIDENDS FOR NISHAT CHUNIAN POWER LIMITED (NCPL)**

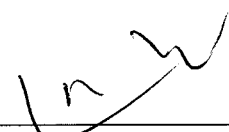
As per the decisions of the Authority regarding NCPL dated 5<sup>th</sup> March 2007, 13<sup>th</sup> April 2007 and 31<sup>st</sup> December 2010, withholding tax on dividend is a pass through item and the power purchaser shall make payment on account of withholding tax at the time of actual payment of dividend as hourly payment spread over a period of 12 months. In accordance with the decisions referred above, the Authority approved following component for withholding tax on dividend for immediate application:

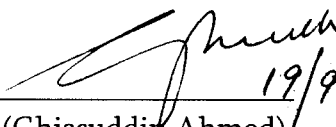
S #	Period	7.5% Withholding tax on Dividend Rs./kW/Hour
1.	1 <sup>st</sup> August 2011 to 31 <sup>st</sup> July 2012	0.0132

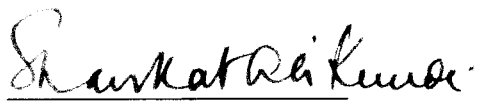
The schedule attached as Annex-I is to be notified in the official gazette, in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

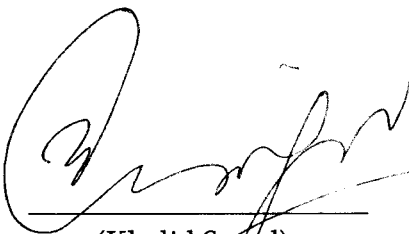
**AUTHORITY**

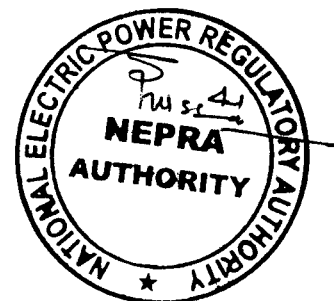
  
(Zafar Ali Khan)  
Member

  
(Maqbool Ahmad Khawaja)  
Member

  
(Ghiasuddin Ahmed)  
Member

  
(Shaukat Ali Kundi)  
Member/Vice Chairman

  
(Khalid Saeed)  
Chairman



**NISHAT CHUNLAN POWER LIMITED**  
**REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS**

Tax Challan #	payment Date	Dividend Amount agst. which Tax is Being Withheld (Rs.)	Tax Amount*	
		(Rs)	(Rs)	Equivalent (USD)**
IT-20110707-1569-1385804	7/7/2011	196,980,439	16,989,563	197,898
IT-20110707-1569-1397380	8/7/2011	65,734,215	5,670,255	66,048
		<b>262,714,654</b>	<b>22,659,818</b>	<b>263,947</b>

\* Withholding tax rate on dividends is 7.5%. Govt has levied a surcharge of 15% on tax w.e.f 15<sup>th</sup> March 2011 till 30th June 2011 as per the amendment made in the Income Tax Ordinance 2001

\*\*NBP TT & OD Selling Rate of USD as on 7th July 2011 is Rs. 85.85

**Calculation of Hourly Rate:**

Withholding tax on dividend	Rs.	22,659,818
Capacity	kW	195,722
Hours in a year	No.	8,760
Tariff component of withholding tax on dividend	Rs./kW/Hour	0.0132

**Carry Forward of Unclaimed Dividend Tax:**

Maximum Pass Through on Divident Tax Per Year 635,869 USD  
 [15% × \$47,481,395 + \$1,356,042] × 7.5%

Less claimed for 1st Agreement Year 263,947 USD  
 (21 July 2010 to 20 July 2011)

**Blance Carried Forward for 1st Agreement Year** 371,922 USD

