



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-70/NCPL-2007/83-85
January 2, 2014

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)

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 1st January 2014 to 31st December 2014 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

(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.



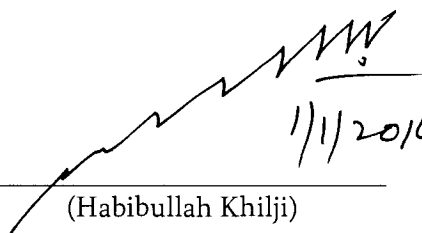
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR NISHAT CHUNIAN POWER LIMITED**

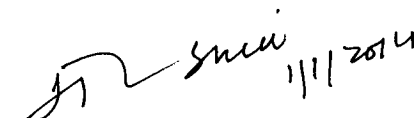
Pursuant to the decision of the Authority dated 31st December 2010 in the matter of adjustment at commercial operation date in the case of Nishat Chunian Power Limited (NCPL), withholding tax on dividend is a pass through item and the power purchaser shall make payment on account of withholding tax at the time of actual payment of dividend as hourly payment spread over a period of 12 months. In accordance with the decision referred above, the Authority approved following component for withholding tax on dividend for immediate application:

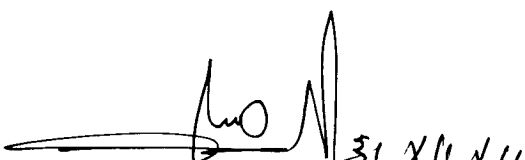
Period	7.5% Withholding tax on Dividend Rs./kW/Hour
1 st Jan 2014 to 31 st Dec 2014	0.0300

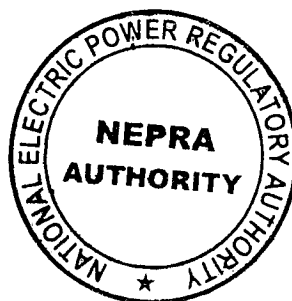
The schedule attached as Annex-I is to be notified in the official gazette in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

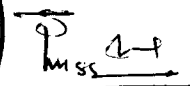
AUTHORITY


(Habibullah Khilji)
Member


(Maj (R) Haroon Rashid)
Member


(Khawaja Muhammad Naeem)
Vice Chairman




02.01.2014

NISHAT CHUNIAN POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld	Tax Amount Paid		Tax Amount Admissible	
		(Rs)	(Rs)	Equivalent (USD)*	(Rs)	Equivalent (USD)*
1393031	08-Nov-13	375,171,640	28,137,873	262,480	28,137,873	262,480
1393032	08-Nov-13	133,633,786	10,022,534	93,494	10,022,534	93,494
1393034	08-Nov-13	44,979,574	3,373,468	31,469	3,373,468	31,469
1022031	05-Dec-13	375,171,640	28,137,873	259,574	9,985,046	92,113
1022033	05-Dec-13	133,633,786	10,022,534	92,459	-	-
1022039	05-Dec-13	45,205,568	3,390,418	31,277	-	-
		1,107,795,994	83,084,700	770,753	51,518,921	479,556

*NBP TT & OD Selling Rate of USD as on 8th November & 5th December was Rs. 107.2 & 108.4 respectively.

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	51,518,921
Capacity	kW	195,722
Hours in a year	No.	8,760
Tariff component of withholding tax on dividend (1st Jan 2014 to 31st Dec 2014)	Rs./kW/Hour	0.0300

Carry Forward of Unclaimed Dividend Tax:

USD

Balance Carried Forward for 3rd Agreement Year

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(As per decision No. NEPRA/TRF-70/NCPL/2007/9858-9860 dated 19 Aug 2013)

Maximum Pass Through on Dividend Tax for 4th Agreement Year

636,166

[15% × \$47,481,395 + \$1,363,188] × 7.5%

Less claimed during 4th Agreement Year (6th and 7th Dividend)

(479,556)

[21 July 2013 to 20 July 2014]

Unclaimed due to maximum pass through limit*

156,610

Balance Carried Forward for 4th Agreement Year

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*Out of 367,346,939 paid-up shares, 90,454,439 shares and 90,341,442 shares at the time of payment of 6th and 7th dividend respectively were exempt from withholding tax on dividends. Accordingly the carry forward of unclaimed withholding tax on dividends has been reduced to the extent of dividends paid to them.

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