



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-70/NCPL-2007/9004-9006
June 9, 2017

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)**

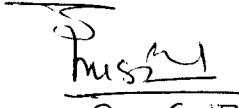
Dear Sir,

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 June 2017 to 31st May 2018 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. The schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above


09.06.17
(Syed Safeer 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.



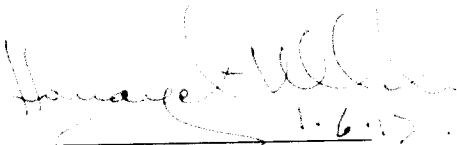
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR NISHAT CHUNIAN POWER LIMITED**

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:

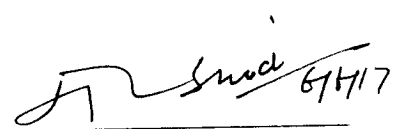
Period	7.5% Withholding tax on Dividend Rs./kW/Hour
1 st June 2017 to 31 st May 2018	0.03087

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.

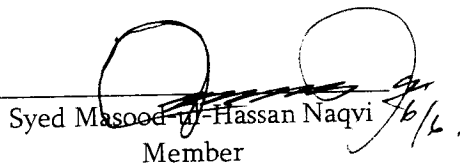
AUTHORITY


1.6.17

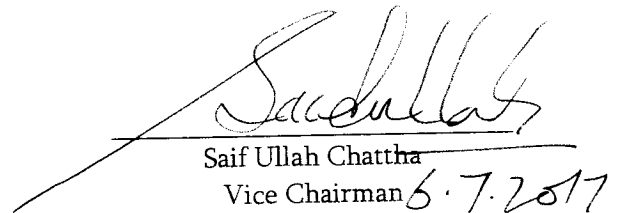
Himayat Ullah Khan
Member


6/6/17

Maj (R) Haroon Rashid
Member


6/6/17

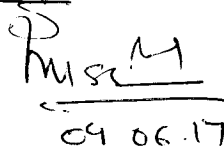
Syed Masood ul Hassan Naqvi
Member


6.7.2017

Saif Ullah Chattha
Vice Chairman

Brig (R) Tariq Saddozai
Chairman




09.06.17

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		Tax Amount Admissible	
			(Rs)	Equivalent (USD)*	(Rs)	Equivalent (USD)*
1069414	9-Dec-16	281,378,730	21,103,405	201,753	21,103,405	201,753
1069445	9-Dec-16	156,703,850	11,752,789	112,359	11,752,789	112,359
1004237	1-Feb-17	281,378,730	21,103,405	201,753	20,066,569	191,841
1004239	1-Feb-17	157,107,351	11,783,051	112,649	-	-
		876,568,661	65,742,650	628,515	52,922,762	505,954

*NBP TT & OD Selling Rate of USD as on 9th December 2016 and 1st February 2017 was Rs. 104.6 & 104.6 respectively.

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	52,922,762
Capacity	kW	195,722
Hours in a year	No.	8,760
Tariff component of withholding tax on dividend (1st June 2017 to 31st May, 2018)	Rs./kW/Hour	0.03087

Carry Forward of Unclaimed Dividend Tax:

Balance Carried Forward for 6th Agreement Year

(As per decision No. NEPRA/TRF-70/NCPL/2007/15375-15377 dated 11 November 2016)

Maximum Pass Through on Dividend Tax for 7th Agreement Year (21st July 2016 to 20th July 2017) 636,166

(15% x \$47,481,395 + \$1,363,188) x 7.5%

Less claimed during 7th Agreement Year (Final 2016 and 1st interim Dividend 2017) (505,954)

[21 July 2015 to 20 July 2016]

Unclaimed due to maximum pass through limit* (130,212)

Balance Carried Forward for 7th Agreement Year 0

*Out of 367,346,939 paid-up shares, 75,291,886 shares and 75,022,885 shares at the time of payment of final Dividend 2016 and 1st interim dividend 2017 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.

