



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-71/NPL-2007/2221-2223
March 6, 2013

Subject: **Decision of the Authority in the Matter of Reimbursement of 7.5% Withholding Tax on Dividends for Nishat Power Ltd. (Case No. NEPRA/TRF-71/NPL-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 from 1st January 2013 to 31st December 2013 in respect of Nishat Power Ltd. in Case No. NEPRA/TRF-71/NPL-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 revised tariff schedule to be notified in the official Gazette is attached as Annex-I.

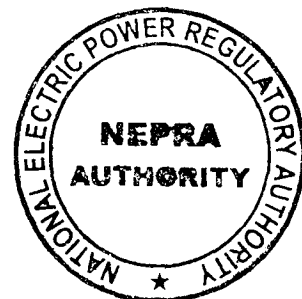
Enclosure: As above

(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, Islamabad.



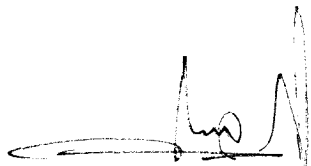
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR NISHAT POWER LIMITED**


Pursuant to the decision of the Authority dated 22nd March 2011 in the matter of motion for leave for review against the decision of the Authority dated 15th October 2010 at commercial operation date in the case of Nishat Power Limited (NPL), 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 January 2013 to 31 st December 2013	0.0123


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.

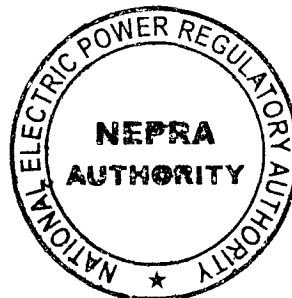
AUTHORITY

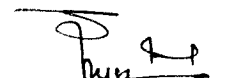

(Khawaja Muhammad Naeem)
Member


(Shaukat Ali Kundi)
Member


(Maj (R) Haroon Rashid)
Member


(Habibullah Khilji)
Chairman




Pun 4
6-3-13

NISHAT POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld	Tax Amount	
		(Rs)	(Rs)	Equivalent (USD)*
1259663	19/12/2012	180,632,955	13,547,472	138,381
1274203	20/12/2012	72,285,529	5,422,420	55,472
1282724	20/12/2012	26,803,491	2,010,267	20,565
		279,721,975	20,980,159	214,418

*NBP TT & OD Selling Rate of USD on 19th December 2012 was Rs. 97.90 and on 20th December 2012 was Rs. 97.75

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	20,980,159
Capacity	kW	195,305
Hours in a year	No.	8,760
Tariff component of withholding tax on dividend	Rs./kW/Hour	0.0123
Reimbursement Period of 12 months	1st January to 31st December 2013	

Carry Forward of Unclaimed Dividend Tax:

	USD
Balance brought forward from 2nd Agreement Year NEPRA/TRF-71/NPL-2007/5907-5909 dated 5th July 2012	990,853
Maximum Pass Through on Dividend Tax for 3rd Agreement Year [15% x \$45,888,884 + \$1,198,011] x 7.5%	606,101
Less claimed during 3rd Agreement Year (9 June 2012 to 8 June 2013)	(214,418)
Less un-claimable due to exemption of withholding tax on dividends*	(128,163)
Balance Carried Forward for 3rd Agreement Year	1,254,372

*Out of 354.0885 million paid-up Shares, 86.08339 million and 74.366525 million shares for 2nd and 3rd agreement year respectively are 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.

