National Electric Power Regulatory Authority
Islamic Republic of Pakistan

Registrar

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No. NEPRA/TRF-71/NPL-2007/16594-16596
December 22, 2014

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)**

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 2015 to 31st December 2015 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 Schedule to be notified in the official Gazette is attached as Annex-I.

Enclosure: <u>As above</u>

(Syed Safeer Hussain)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
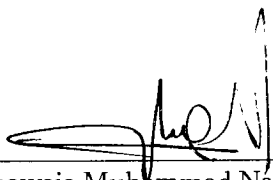2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.

DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5% WITHHOLDING TAX ON DIVIDENDS FOR NISHAT 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:
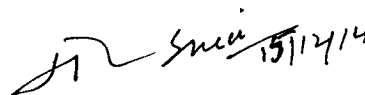
Period	7.5% Withholding tax on Dividend Rs./kW/Hour
1-January-2015 to 31-December-2015	0.0136

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.
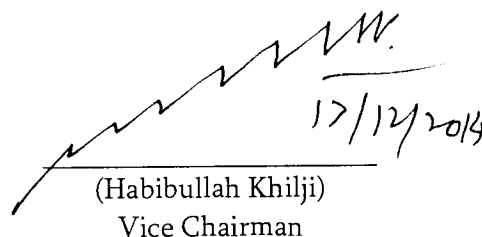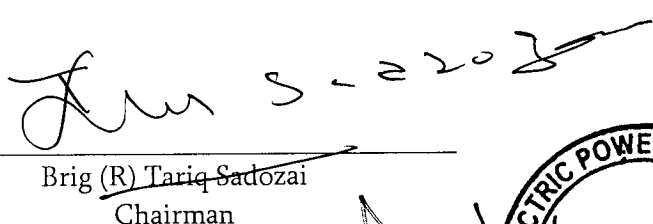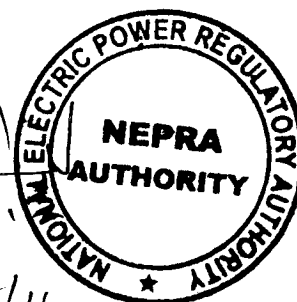
AUTHORITY

(Khawaja Muhammad Naeem)
Member

(Maj (R) Haroon Rashid)
Member

(Himiyat Ullah Khan)
Member

(Habibullah Khilji)
Vice Chairman

Brig (R) Tariq Sadozai
Chairman

NISHAT POWER LIMITED
REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS

Tax Challan #	Payment Date	Dividend Amount agst. which Tax is Being Withheld	Tax Amount	
		(Rs)	(Rs)	Equivalent (USD)*
1177936	25/11/2014	180,632,955	13,547,472	133,473
1180441	25/11/2014	128,746,651	9,655,999	95,133
		309,379,606	**23,203,470**	**228,606**

*NBP TT & OD Selling Rate of USD on 25-November-14 was Rs. 101.50

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	23,203,470
Capacity	kW	195,305
Hours in a year	No.	8,760
Withholding tax on dividend	Rs./kW/Hour	0.0136

Reimbursement Period of 12 months (1-January-2015 to 31-December-2015)

Carry Forward of Unclaimed Dividend Tax: USD

Balance brought forward from 4th Agreement Year   296,457
No. NEPRA/TRF-71/NPL-2007/9163-9165 dated August 8, 2014

Less claimed during 4th Agreement Year (Final Cash Divident for FY 2013-14)   (228,606)
(9 June 2014 to 8 June 2015)

Less un-claimable due to exemption of withholding tax on dividends*   (33,036)

Balance Carried Forward for 5th Agreement Year   **34,815**

*Out of 354.088 million paid-up shares, 44.708 million shares of Banking and Non Banking Financial Instituations 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.