



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

Registrar

NEPRA Tower, Ataturk Avenue(East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2600026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-71/NPL-2007/1611-1613
February 9, 2015

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)**

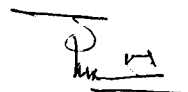
Dear Sir,

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 February 2015 to 31st January 2016 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: 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.



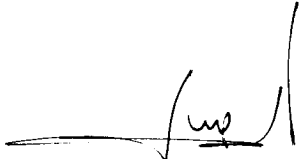
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR NISHAT POWER LIMITED**

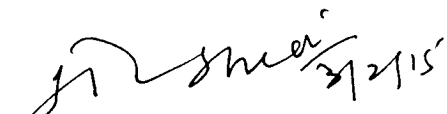
Pursuant to the decision of the Authority dated 22nd March 2011 in the matter of motion for leave for review against the decision of the Authority dated 15th October 2010 at commercial operation date in the case of Nishat Power Limited (NPL), withholding tax on dividend is a pass through item and the 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:

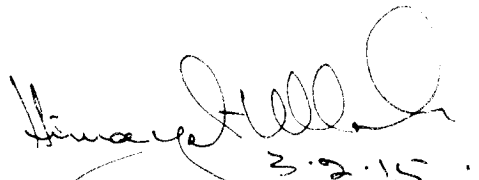
Period	7.5% Withholding tax on Dividend Rs./kW/Hour
1-February-2015 to 31-January-2016	0.0136

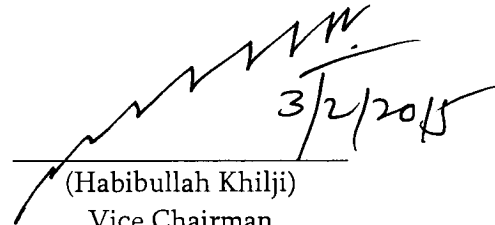
The schedule attached as Annex-I is to be notified in the official gazette in accordance with the provisions of Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act 1997.

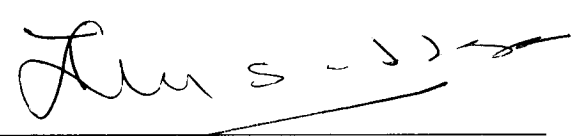
AUTHORITY

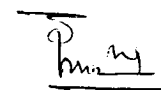

(Khawaja Muhammad Naeem)
Member

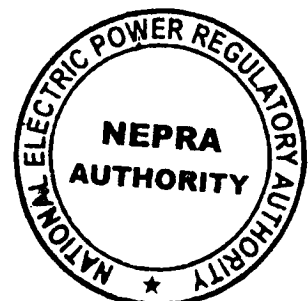

(Maj (R) Haroon Rashid)
Member


(Himayat Ullah Khan)
Member


(Habibullah Khilji)
Vice Chairman


Brig (R) Tariq Saddozai
Chairman


07.02.15



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)*
1015127	6-Jan-15	180,632,955	13,547,472	134,667
1022787	7-Jan-15	128,986,640	9,674,838	96,171
		309,619,595	23,222,310	230,838

*NBP TT & OD Selling Rate of USD on 06 and 07-January-2015 was Rs. 100.60

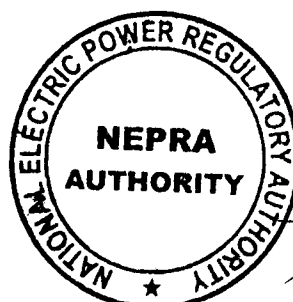
Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	23,222,310
Capacity	kW	195,305
Hours in a year	No.	8,760
Tariff component of withholding tax on dividend	Rs./kW/Hour	0.0136
Reimbursement Period of 12 months (1-February-2015 to 31-January-2016)		

Carry Forward of Unclaimed Dividend Tax:	USD
Balance brought forward from 5th Agreement Year	34,815
No. NEPRA/TRF-71/NPL-2007/16594-16596 dated December 22, 2014	
Maximum Pass Through on Dividend Tax for 5th Agreement Year	606,101
[15% x \$45,888,884 + \$1,198,011] x 7.5%	
Less claimed during 5th Agreement Year (1st Interim cash Dividend for FY 2014-15)	(230,838)
(9 June 2014 to 8 June 2015)	
Less un-claimable due to exemption of withholding tax on dividends*	(33,153)
Balance Carried Forward for 5th Agreement Year	376,925

*Out of 354.088 million paid-up shares, 44.468 million shares of Banking and Non Banking Financial Institutions 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.

Mattu



09.02.15