



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/TRF-71/NPL-2007/2024-2026
February 11, 2016

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)

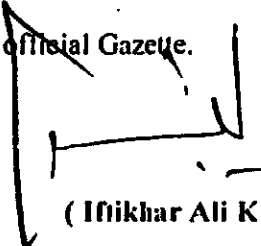
Dear Sir,

Please find enclosed herewith the decision of the Authority along with schedule (Annex-I) (02 pages) regarding reimbursement of 7.5% withholding tax on dividends for the period from 1st February 2016 to 31st January 2017 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. The schedule attached as Annex-I is to be notified in the official Gazette.

Enclosure: As above


(Inikhar Ali Khan)

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.



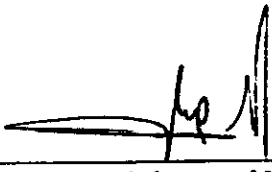
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR NISHAT POWER LIMITED**

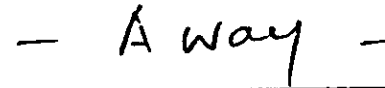
Pursuant to the decision of the Authority dated 22nd March 2011 in the matter of Motion for Leave for Review against the decision of the Authority dated 15th October 2010 at Commercial Operation Date in the case of Nishat Power Limited (NPL), withholding tax on dividend is a pass through item and the 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 st February 2016 to 31 st January 2017	0.0088


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.

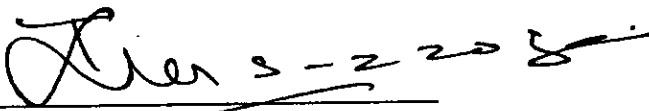
AUTHORITY


Khawaja Muhammad Naeem
Member

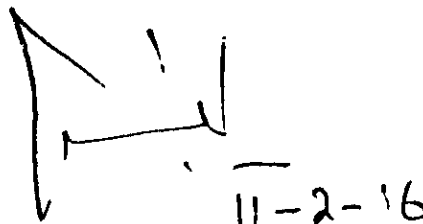

Himayat Ullah Khan
Member


Syed Masood-ul-Hassan Naqvi
Member


Maj (R) Haroon Rashid
Vice Chairman


Brig (R) Tariq Sadozai
Chairman




11-2-16

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 Claimed		Tax Amount Allowed	
		(Rs)	(Rs)	Equivalent (USD)*	(Rs)	Equivalent (USD)*
1175106	22 Dec-15	180,632,955	13,547,472	129,641	8,692,371	83,180.581
1175108	22 Dec-15	131,999,272	9,899,945	94,736	6,352,034	60,785.011
		312,632,227	23,447,417	224,377	15,044,404	143,966

*NBP TT & OD Selling Rate of USD on 22nd December, 2015 was 104.5

Calculation of Hourly Rate:

Withholding tax on dividend	Rs.	15,044,404
Capacity	kW	195,305
Hours in a year (366 X 24)	No.	8,784
Tariff component of withholding tax on dividend	Rs./kW/Hour	0.0088
Reimbursement Period of 12 months (1st February, 2016 to 31st January, 2017)		

Carry Forward of Unclaimed Dividend Tax:

	USD
Balance brought forward from 6th Agreement Year	163,056
No. NEPRA/TRF-71/NPL-2007/245-247 dated January 08, 2016	
Maximum Pass Through on Dividend Tax for 6th Agreement Year (9th June 2015 to 8th June 2016)	606,101
(15% - \$45,888,884 - \$1,198,011) - 7.5%	
Less claimable during 6th Agreement Year	(143,966)
Less un-claimable due to exemption of withholding tax on dividends*	(19,090)
Balance Carried Forward for 6th Agreement Year	-

*Out of 354.088 million paid-up shares, 41.456 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.

