



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk 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-2007/5253-5255  
April 13, 2017

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)**

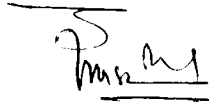
Dear Sir,

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 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 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

  
13/04/17  
( 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 22<sup>nd</sup> March 2011 in the matter of Motion for Leave for Review against the decision of the Authority dated 15<sup>th</sup> 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 <sup>st</sup> April 2017 to 31 <sup>st</sup> March 2018	0.0328

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.

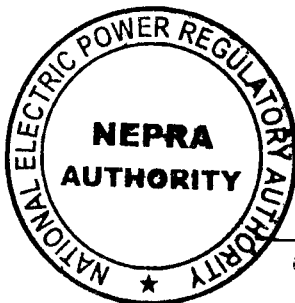
**AUTHORITY**

—  
Maj (R) Haroon Rashid  
Member

—  
Syed Masood-ul-Hassan Naqvi  
Member

—  
Saif Ullah Chattha  
Member

—  
Himayat Ullah Khan  
Vice Chairman



—  
Brig (R) Tariq Saddozai  
Chairman

—  
13/04/17

**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 Claimed		Tax Amount Allowed	
		(Rs)	(Rs)	Equivalent (USD)*	(Rs)	Equivalent (USD)*
1260919	29-Nov-16	270,949,433	20,321,207	194,275	20,321,207	194,275
1004833	1-Dec-16	201,955,248	15,146,644	144,805	15,146,644	144,805
1230290	28-Dec-16	315,110,178	23,633,263	225,939	20,639,777	197,321
		<b>788,014,859</b>	<b>59,101,114</b>	<b>565,020</b>	<b>56,107,628</b>	<b>536,402</b>

\*NBP TT & OD Selling Rate of USD on 29th November, 2016 was 104.6, 1st December, 2016 was 104.6 & 28th December 2016 was 104.6

**Calculation of Hourly Rate:**

Withholding tax on dividend	Rs.	56,107,628
Capacity	kW	195,305
Hours in a year (365 X 24)	No.	8,760
Tariff component of withholding tax on dividend	Rs./kW/Hour	0.0328
Reimbursement Period of 12 months (1st April, 2017 to 31st March, 2018)		

**Carry Forward of Unclaimed Dividend Tax:**

USD

Balance brought forward from 6th Agreement Year

No. NEPRA/TRF-71/NPL-2007/245-247 dated February 11, 2017

Maximum Pass Through on Dividend Tax for 7th Agreement Year (9th June 2016 to 8th June 2017) 606,101

[15% x \$45,888,884 + \$1,198,011] x 7.5%

Less claimable during 7th Agreement Year (536,402)

Less un-claimable due to exemption of withholding tax on dividends\* (69,699)

**Balance Carried Forward for 7th Agreement Year (0)**

\*Out of 354.088 million paid-up shares, 38.81874 million shares for end-June 2016 and 38.97807 million shares for end-September 2016 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.

