



Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

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E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-125/SECL-2009/11495-11497
September 23, 2013

Subject: Decision of the Authority in the Matter of Reimbursement of 7.5% Withholding Tax on Dividends for Sapphire Electric Company Ltd. (Case No. NEPRA/TRF-125/SECL-2009) - 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 September 2013 to 31st August 2014 in respect of Sapphire Electric Company Ltd. in Case No. NEPRA/TRF-125/SECL-2009.

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 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.



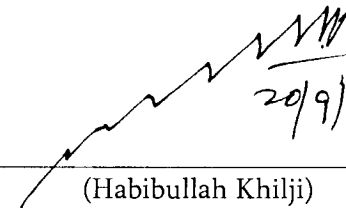
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR SAPPHIRE ELECTRIC COMPANY LIMITED**


Pursuant to Para II of the order of the Authority dated 23rd November 2012 in the matter of motion for leave for review filed against the decision of the Authority at Commercial Operation Date (COD) in the case of Sapphire Electric Company Limited (SECL), 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:

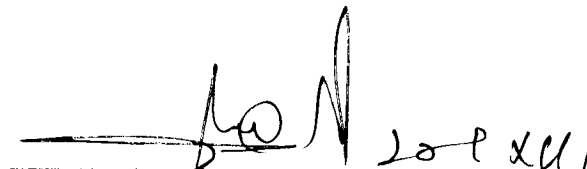
Period	7.5% Withholding tax on Dividend Rs./kW/Hour
1 st September 2013 to 31 st August 2014	0.0488

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.

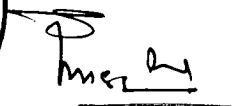
AUTHORITY


20/9/2013.
(Habibullah Khilji)
Member


23/9/13
(Maj (R) Haroon Rashid)
Member


20.9.2013
(Khawaja Muhammad Naeem)
Vice Chairman




23.09.13

SAPPHIRE ELECTRIC COMPANY LIMITED
REIMBURSEMENT OF 7.5% WITHHODING TAX ON DIVIDENDS

Tax Challan #	payment Date	Dividend Amount agst. which Tax is Being Withheld	Tax Amount	
			Rs.	Equivalent USD*
IT-20130904-0465-1173508	3-Sep-13	781,100,646	58,582,551	560,599
IT-20130904-0465-1173513	3-Sep-13	173,733,390	13,030,005	124,689
IT-20130906-0465-1265037	4-Sep-13	253,626,831	19,022,012	181,855
Total		1,208,460,867	90,634,568	867,142

*NBP TT & OD Selling Rates of USD as on 3rd and 4th September 2013 were Rs. 104.5 and Rs. 104.6 respectively.

Calculation of Hourly Rate:

Withholding Tax on dividend	Rs.	90,634,568
Capacity	kW	212,107
Hours in a year	No.	8,760
Tariff Component of withholding tax on dividend	Rs/kW/Hour	0.0488
Reimbursement Period of 12 Months	<u>1-Sep-2013 to 31-Aug-2014</u>	

Carry Forward of Unclaimed Dividend Tax:

Maximum Limit Available:

	USD	USD
1st Agreement Year (5-10-2010 to 4-10-2011)	840,060	
2nd Agreement Year (5-10-2011 to 4-10-2012)	840,060	
3rd Agreement Year (5-10-2012 to 4-10-2013)	840,060	2,520,181
[15% x \$58,904,007 + \$2,365,206] x 7.5%		

Less claimed:

1st Agreement Year (5-10-2010 to 4-10-2011)	-	
2nd Agreement Year (5-10-2011 to 4-10-2012)	-	
3rd Agreement Year (5-10-2012 to 4-10-2013)	(867,142)	(867,142)
Less un-claimable due to exemption of withholding tax on dividends*		(45,648)
Balance Carried Forward		<u>1,607,391</u>

*Out of 424.021 million paid-up Shares, 21.201 million shares of Meezan Bank Limited are exempt from withholding tax on dividend. Accordingly the carry forward of unclaimed withholding tax on dividends has been reduced to the extent of dividends paid to them.

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