



Registrar

National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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No. NEPRA/TRF-125/SECL-2009/1470-1472

February 4, 2015

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)

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 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

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

(Syed Safeer Hussain)

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, Islamabad.



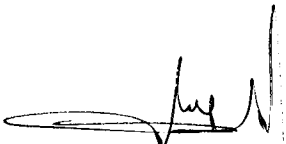
**DECISION OF THE AUTHORITY IN THE MATTER OF REIMBURSEMENT OF 7.5%
WITHHOLDING TAX ON DIVIDENDS FOR SAPPHIRE ELECTRIC COMPANY LIMITED**


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:

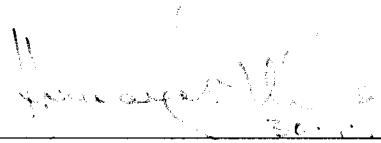
Period	7.5% Withholding tax on Dividend Rs./kW/Hour
1 st January 2015 to 31 st December 2015	0.0244


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.

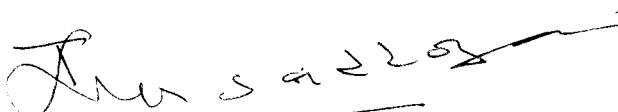
AUTHORITY

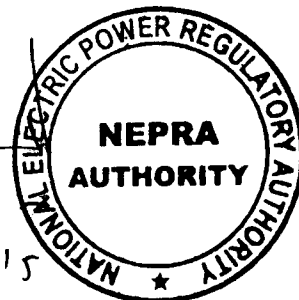

(Khawaja Muhammad Naeem)
Member


(Maj (R) Haroon Rashid)
Member


(Himayat Ullah Khan)
Member


(Habibullah Khilji)
Vice Chairman


Brig (R) Tariq Saddozai
Chairman



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-20141208-0465-1052520	8-Dec-14	14,769,720	1,107,729	10,946
IT-20141208-0465-1052530	8-Dec-14	375,780,603	28,183,545	278,494
IT-20141208-0465-1052532	8-Dec-14	86,866,695	6,515,002	64,377
IT-20141216-0022-1131591	16-Dec-14	117,302,410	8,797,681	87,801
IT-20141224-0022-1187075	24-Dec-14	9,511,000	713,325	7,112
Total		604,230,428	45,317,282	448,730

*NBP TT & OD Selling Rates of USD as on 8th, 16th and 24 December 2014 were Rs. 101.2, Rs. 100.2 and Rs. 100.3 respectively.

Calculation of Hourly Rate:

Withholding Tax on dividend	Rs.	45,317,282
Capacity	kW	212,107
Hours in a year	No.	8,760
Tariff Component of withholding tax on dividend (1st January 2015 to 31st December 2015)	Rs/kW/Hour	0.0244

Reimbursement Period of 12 Months

Carry Forward of Unclaimed Dividend Tax:

USD	USD
Balance brought forward	1,607,391

NEPRA/TRF-125/SECL-2009/11495-11497 dated September 23, 2013

Maximum Limit Available:

4th Agreement Year (5-10-2013 to 4-10-2014)	840,060
[15% x \$58,904,007 + \$2,365,206] x 7.5%	

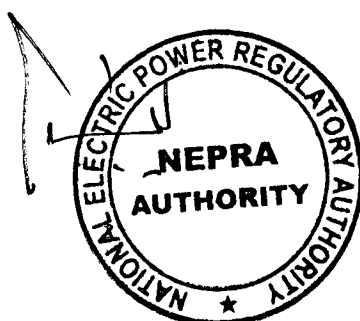
Less claimed:

4th Agreement Year (5-10-2013 to 4-10-2014)	(448,730)
Less un-claimable due to exemption of withholding tax on dividends*	(23,568)

Balance Carried Forward

1,975,153

*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.



Amath