



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.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/TRF-125/SECL-2009/268-270
January 8, 2016

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)

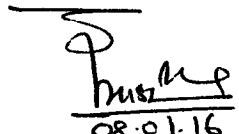
Dear Sir,

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 2016 to 31st December 2016 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


08-01-16
(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, Islamabad.



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

Pursuant to 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 2016 to 31 st December 2016	0.0486

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)
Member

(Maj (R) Haroon Rashid)
Vice Chairman

Brig (R) Tariq Saddozai
Chairman


08.01.16

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

Tax Challan #	payment Date	Dividend Amount agst. which Tax is Being Withheld	Tax Amount	
			Rs.	Equivalent USD*
IT-20151203-0465-1023245	3-Dec-15	253,626,831	19,022,012	180,818
IT-20151203-0465-1023251	3-Dec-15	26,988,840	2,024,163	19,241
IT-20151203-0465-1039232	7-Dec-15	173,733,390	13,030,004	123,859
IT-20151203-0465-1023250	3-Dec-15	754,111,206	56,558,340	537,627
IT-20151203-0465-1055979	9-Dec-15	600	45	0.44
Total		1,208,460,867	90,634,565	861,545

*NBP TT & OD Selling Rates of USD as on 3rd, 07th and 09th December 2015 were Rs. 105.2, Rs. 105.2 Rs. 103.4 and Rs. 100.3 respectively.

Calculation of Hourly Rate:

Withholding Tax on dividend	Rs.	90,634,565
Capacity	kW	212,107
Hours in a year (366 X 24)	No.	8,784
Tariff Component of withholding tax on dividend (1st January 2016 to 31st December 2016)	Rs/kW/Hour	0.0486

Reimbursement Period of 12 Months

Carry Forward of Unclaimed Dividend Tax:

USD

Balance brought forward

1,975,153

NEPRA/TRF-125/SECL-2009/1470-1472 dated February 04, 2015

Maximum Limit Available:

5th Agreement Year (5-10-2014 to 4-10-2015)

840,060

[15% x \$58,904,007 + \$2,365,206] x 7.5%

Less claimed:

5th Agreement Year (5-10-2014 to 4-10-2015)

(861,545)

Less un-claimable due to exemption of withholding tax on dividends*

(45,344)

Balance Carried Forward**1,908,324**

*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 Meezan Bank Limited.

