



Noble Computer Services (Pvt.) Ltd.

First Floor, House of Habib Building (Siddiqsons Tower),
3-Jinnah C. H. Society, Main Shahrah-e-Faisal, Karachi-75350
PABX: (92-21) 34325482-84 Fax: (92-21) 34325442
E-mail: ncsl@hoh.net Website: www.noble-computers.com

MOST URGENT

May 26, 2015

Dear Sirs,

INDUS MOTOR COMPANY LIMITED
SUBMISSION OF TAX EXEMPTION CERTIFICATE

Section 150 of the Income Tax Ordinance 2001 (ITO 2001) makes it obligatory for companies to deduct tax from dividend payment to its shareholders.

Under clause 47B of Part IV of the Second Schedule to the ITO 2001 Sections 150, 151, 233 and Part I, Division VII of the First Schedule shall not apply to certain shareholders mentioned, thereby exempting them from deduction of tax on the amount of dividend paid.

On May 12, 2015 Federal Board of Revenue (FBR) issued a directive (copy enclosed), (read with Circular No. 1(29)WHT/2006 dated Jun 30, 2010), by virtue of which Shareholders are required to submit a copy of the tax exemption certificate received from the Commissioner of Inland Revenue under Section 159(1) of the ITO 2001, to the Company in order to receive withholding tax exemption against section 150 for the following cases as covered under clause 47B:

- National Investment Unit Trust; or
- A collective investment scheme; or
- a Modaraba; or
- an approved Pension Fund; or
- an approved Income Payment Plan; or
- a REIT Scheme (Real Estate Investment Trust); or
- a Private Equity and Venture Capital Fund; or
- a recognized provident fund; or
- an approved superannuation fund; or
- an approved gratuity fund.

Indus Motor Company Limited has declared dividend where tax exemption would be allowed only in accordance with the above FBR clarification.

In order for the Company not to deduct tax on your dividend payment, you are requested to ensure you provide us with a copy of a valid tax exemption certificate, latest by Monday June 1, 2015 at Noble Computer Services (Pvt) Ltd., First Floor, House of Habib Building (Siddiqsons Tower), 3 Jinnah C.H. Society, Main Shahrah-e-Faisal, Karachi. Tel: 34325482-84 through Registered A.D Post / Courier or please send scanned copy of the certificate at ncsl@hoh.net.

In absence of the valid exemption certificate, the Company shall be constrained to effect tax withholding at 10% or 15% as specified for filer / non-filers respectively.

Yours truly,

For and on behalf of NOBLE COMPUTER SERVICES (PRIVATE) LIMITED
Share Registrar of Indus Motor Company Limited

Note: This letter is computer generated and does not require a signature.

**GOVERNMENT OF PAKISTAN
REVENUE DIVISION
(FEDERAL BOARD OF REVENUE)**

C.No.1(43) DG (WHT)/2008-Vol.II-66417-R

Islamabad, the 12th May, 2015.

The Chief Commissioner,
Large Taxpayers Unit,
Islamabad/Lahore /Karachi.

The Chief Commissioner,
Regional Tax Office,
Karachi-I/Karachi-II/Karachi-III/Lahore-I/Lahore-II/Hyderabad/Sukkur/Quetta/Multan/
Bahawalpur/Sialkot/Rawalpindi/Sargodha/Faisalabad/Gujranwala/Islamabad/Abbottbad/
Peshawar.

Subject: - **REQUIREMENT OF VALID TAX EXEMPTION CERTIFICATE FOR CLAIM OF EXEMPTION U/S 150, 151 AND 233 OF THE INCOME TAX ORDINANCE, 2001 IN THE CASES WHERE STATUTORY EXEMPTION UNDER CLAUSE 47B OF PART - IV OF SECOND SCHEDULE IS AVAILABLE.**

Please refer to the subject.

2. It has been learnt by this office that some of the field offices are not issuing specific exemptions in the cases falling within the ambit of subject mentioned provisions on the pretext that statutory exemption under clause (47 B) of part IV of the second schedule is already available to them. Legal position in this case is that any person required to withhold Income Tax may only allow exemption if a valid exemption certificate under section 159(1) of the Income Tax Ordinance, 2001 issued by the concerned Commissioner of Inland Revenue is produced before him by the withholder.

3. The matter has already been clarified by the Board also vide C.No. 1(29) WHT/2006 dated 30.06.2010 upon the request of Central Directorate of National Savings (CDNS) (copy enclosed).

4. In view thereof, it is re-iterated that exemption certificate in such cases may be issued in the light of Board's above clarification.

Encl: As above.



(SHAUKAT MAHMOOD)
Director General (WHT)

Tele/Fax # 051-9201948 /051-9207664
Email: shaukat.mahmood@fbr.gov.pk

Copy for information to:-

1. Member (IR-Operations), FBR, Islamabad.
2. Mr. Zaheer Abbas Assistant Director (Schemes) Central Directorate of National Saving (CDNS), Islamabad
3. Web Master-FBR.

Government of Pakistan
Revenue Division
Federal Board of Revenue

Islamabad, June 30, 2010.

C.No.1(29)WHT/2006

To

Mr. Abdul Ghafoor Baloch,
Assistant Director (Sch),
Central Directorate of National Savings,
Islamabad.

SUBJECT: EXEMPTION FROM DEDUCTION OF WITHHOLDING TAX

Please refer to your u.o letter No.F.13(I)Sch-III/09-10 dated 25.06.2010 on the above subject.

2: The undersigned is directed to say that under the provisions of Clause (47B) of Part-IV of Second Schedule to the Income Tax Ordinance 2001, payments made on the following accounts are exempt from withholding tax under sections 150, 151 and 233:

- i) National Investment Unit Trust; or
- ii) A collective investment scheme; or
- iii) A modaraba; or
- iv) An Approved Pension Fund; or
- v) An Approved Income Payment Plan; or
- vi) A REIT Scheme; or
- vii) A Private Equity and Venture Capital Fund; or
- viii) A recognized provident fund; or
- ix) An approved superannuation fund; or
- x) An approved gratuity fund.

2. However it is clarified that any person who is required to withhold income tax is to allow aforesaid exemptions in case of payments as mentioned above, only if an exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue, is produced before him.



(MOHAMMED IMTIAZ)
Secretary (Withholding Tax)
Ph./Fax# 051-9201448