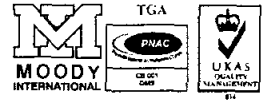




# ELLCOT SPINNING MILLS LTD.

An ISO 9001:2008E Certified Company



NAGINA HOUSE, 91-B-1, M.M. ALAM ROAD, GULBERG-III, LAHORE - 54660, PAKISTAN.  
TEL: (92-42) 35756270-77, 35754811-16 FAX: (92-42) 35711856, 35753820  
E-mail: info@nagina.com

The registrar,  
National Electric Power Regulatory Authority,  
NEPRA Tower, Attaturk Avenue (East), G-5/1,  
Islamabad.

Ref. ESML GFA-B-N-127/  
December 21, 2017

Subject: GENERATION LICENSE RENEWAL AND MODIFICATION APPLICATION

Dear Sir,

With ref. to your letter no NEPRA/DL/LAG-30/18613 dated November 10, 2017, Please find enclosed our renewal and modification application for our Generation License no SGC/006/2001 which is expired as on 21<sup>st</sup> day of October 2016, along with the required documents as per the National Electric Power Regulatory Authority Licensing (renewal application and modification procedure) Reregulation, 1999.

I, certify that documents in support attached with the application are prepared and submitted in conformity with the provisions of National Electric Power Regularity Authority undertake to abide by the terms and provision of the said regulations. I, further undertake and confirm that the information provided in the attached documents in support is true and correct to the best of my knowledge and belief.

Further, please find enclosed a bank draft No. 00646653 dated 20-12-2017 amounting to Rs. 153,032/- (One hundred fifty three thousand thirty two rupees only) drawn on United Bank Ltd. is also attached herewith.

Thanking you,

for Ellicot Spinning Mills Ltd.

  
Tariq Zafar Bajwa

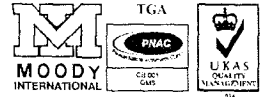


G.M Group Account



# ELLCOT SPINNING MILLS LTD.

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E-mail: info@nagina.com

Mr. Iftikhar Ali Khan  
Director Registrar Office,  
National Electric Power Regulatory Authority,  
NEPRA Tower G-5/1 (East), Near MNA Hostel,  
Islamabad.

GFA-B-N-127/2733  
January 17, 2018

Subject: **GENERATION LICENCE RENEWAL AND MODIFICATION APPLICATION OF  
ELLCOT SPINNING MILLS LTD**

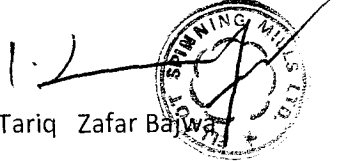
Dear Sir,

Reference to your letter # NEPRA/R/LAG-44/440 dated: January 10, 2018 please find enclosed herewith the reply of following :( as per Annex 1 attached):

- Text of proposed modification.
- Statement of reason in support of modification in their license.
- A statement of the impact on the tariff, quality of service and the performance by the license of its obligations under the license.

Thanking you,

for Ellicot Spinning Mills Ltd

  
Tariq Zafar Bajwa

G.M Group Accounts

Annexure-AMODIFICATION AND RENEWAL OF GENERATION LICENSE NO.SGC/006/2001 DATED 24-02-2006.**ELLCOT SPINNING MILLS LTD. (ESML)**

Ellecot Spinning Mills limited (ESML) in pursuance of Regulation 10 (2) of NEPRA (Application and Modification Procedure) Regulations, 1999 read with Rule 5 of Licensing (Generation) Rules 2000 (the "Generation Rules") and other applicable provisions of the Regulation of Generation Transmission and Distribution of Electric Power Act, 1997 Rules, Regulations and applicable documents submits this Application for modification of its Generation License in respect of its Generation License No. SGC/006/2001 dated 24.02.2006.

Regulation 10(2) of AMPR 1999 states as under:

A licensee may, at any time during the term of the license, communicate to the Authority a licensee proposed modification setting out:

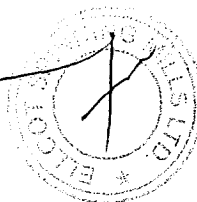
- i) **The text of the proposed modification;**
- ii) **A statement of the reasons in support of the modification; and**
- iii) **A statement of the impact on tariff, quality of service and the performance by the licensee of its obligations under the license.**

Rule 5 of the Generation Rules states as under:

Term and renewal of generation license:

(1). Except where an applicant for generation license consents to a shorter term, his term of a generation license shall be commensurate with the maximum expected useful life of the units comprised in a generation facility demonstrated to the satisfaction of the Authority.

1. /



(2). Upon the expiry of the term of the generation license, unless revoked earlier in accordance with these rules or the terms of the generation license, the generation license may be renewed by the Authority for such further term as it may deem appropriate in the manner provided for in the generation license keeping in view the remaining maximum expected useful life of the units comprised in the generation facility, the performance of the licensee during the then expiring term and the interests of the consumers and the electric power industry as a whole.

**a & b Text of proposed modification and statement of reason in support of modification in generation license**

The Company has a 7.66 MW power plant located at 6.3 K.M. Manga Mandi, Raiwind Road, Mouza Roussa, Tehsil & District Kasur in the Province of Punjab, Pakistan incorporated under the Companies Ordinance, 1984.

Initially the license was issued in the name of Ellahi Electric Company Limited (herein after referred to as EECL) way back in October 22, 2001 for the purposes of generation and sale of electric power. Ellahi Electric Company under a scheme of arrangement was merged with other group textile Companies Namely:

- a. Nagina cotton Mills Ltd.
- b. Ellcot Spinning Mills Ltd.
- c. Prosperity Weaving Mills Ltd.

The Ellcot Spinning Mills Ltd. was granted a Generation License No. SGC/006/2006 on February 24, 2006 by the Authority for the generation of electric power plant located at 6.3 K.M. Manga Mandi, Raiwind Road, Mouza Roussa, and Tehsil & District Kasur in the Province of Punjab, Pakistan. Upon such expiry, the AMPR 1999 provides for the modification of a generation license, thereby inclusive of an extension in term of the generation license and the Generation Rules provide for the renewal of the generation license.

Therefore, in light of the provisions of NEPRA Laws, ESML requests the Authority to appropriately modify and further extend the term of ESML Generation License pursuant to Regulation 10 (2) of AMPR 1999, which provides that a licensee may propose to the

1.2



Authority a modification in its license, read with Rule 5 of the Generation Rules and applicable provisions of NEPRA Laws, which provides that, upon expiry of the term of the generation license, the Authority may renew the generation license "for such further term as it may deem appropriate in the manner provided for in the generation license...".

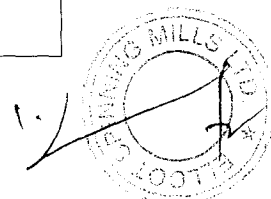
ESML Generation License has undergone modifications, by way of Licensee Proposed Modification, pursuant to National Electric Power Regulatory Authority Licensing (Application and Modification Procedure) Regulations, 1999 for its installed capacity of the power plant.

The allocated capacity to ESML for the purpose of generation license was 7.66 MW. The bifurcation of the stated capacity is as under:

Generator description	No of units	Capacity MW each	Total capacity-MW
Niigata, GL-34-HX	2	2.3	4.60
Diesel Caterpillar	3	1.02	3.06
Total			7.66

As you are well aware that diesel power generation is not cost effective any more. Therefore, we resorted to change old technology with new efficient technology. In this regard we have imported and installed Janbacher Model JMS -624 with an installed capacity of 4 MW. With this change our revised installed capacity is as under:

Generator description	No of units	Capacity MW each	Total capacity-MW
Niigata, GL-34-HX	2	2.3	4.60
Janbacher Model JMS -624	1	4.0	4.00
Total			8.60



<b>Types of Technology</b>	Niigata Engines	Gas Engine
<b>Remaining useful life of the Generation facility at the time of this Modification.</b>	13 years	25 years

ESML is aware that it has inadvertently delayed the filing of application for modification of generation license, but kindly requests the Authority to condone the delay and in the interests of electric power market as a whole and energy crisis currently being faced by Pakistan.

The requested modification would benefit consumers as it would ensure that generation capacity continues to be available and maintained. Moreover, there will be no adverse impact on the quality of service provided by ESML if this Application is accepted. Further, there will be no adverse impact on the performance of the Company. Additionally, as abovementioned, the request of the Company for the modification of the generation license also satisfy NEPRA's requirement under the Generation Rules that the plant and the equipment of the project will have a useful life.

In light thereof, ESML requests the Authority to kindly modify the generation license for a further period of fifteen (15) years.

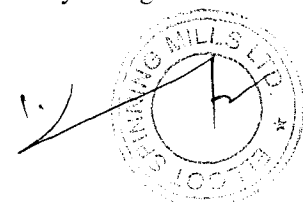
**c. Impact of the Proposed Modification:**

i) **Impact on Tariff**

As the learned Authority would appreciate, the proposed amendments would not impact the tariff of the Company.

ii) **Impact on Quality of Service**

The Company certifies that the quality of service and the performance by the Company under the Generation License shall not be affected on acceptance by NEPRA of this LPM Application. As mentioned above, the Company has been fully diligent and dedicated in the performance of its services and aspires to cater to the energy crisis currently being



faced by Pakistan.

iii) **Impact on the obligations of the Company under the License**

The proposed modification would facilitate the Company in fulfilling its obligations under the License.

**Prayer:**

It is most humbly prayed to the esteemed Authority as follows:

1. That the Authority may kindly approve the modification of ESML Generation License for 8.60 MW for a further period of fifteen years commencing w.e.f. 21.10.2016.
2. That the Authority may be pleased to treat the Company's request for modification of ESML Generation License expeditiously.
3. Any further and better relief that the Authority may deem appropriate in the circumstances may kindly be granted to the Company.

We hope the information/explanation provided above meets the Authority's requirements and ESML shall remain available to assist the Authority in further queries/clarifications.

Thanking you,

( )

for Ellcot Spinning Mills Ltd.

Tariq Zafar Bajwa

