
**BEFORE
THE NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY**

**APPLICATION FOR LICENSEE PROPOSED MODIFICATION OF
LICENSE NO. SGC/115/2016 ISSUED ON 14 APRIL 2016**

ON BEHALF OF

**NISHAT (CHUNIAN) LIMITED
(formerly, NC ELECTRIC COMPANY LIMITED)**

Submitted by:

Nishat (Chunian) Limited

31-Q, Gulberg II, Lahore

Legal Consultants

RIAA BARKER GILLETTE Advocates
& Corporate Counsellors 68, 3rd
Floor, 65-W, Executive Heights,
Block-H, Fazl-ul-Haq Road, Blue
Area, Islamabad www.riaabg.com



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Dated: June 22, 2021

The Registrar

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

Subject: **APPLICATION FOR LICENSEE PROPOSED MODIFICATION IN GENERATION
LICENSE NO. SGC/115/2016 ISSUED ON 14 APRIL 2016 – NISHAT (CHUNIAN)
LIMITED (FORMERLY, NC ELECTRIC COMPANY LIMITED)**

Dear Sir,

I, Samina Aslam, being the duly authorized representative of Nishat (Chunian) Limited (formerly operating as NC Electric Company Limited) (the “Company”) by virtue of a Board Resolution dated 21st June 2021 (appended herewith), hereby apply to the National Electric Power Regulatory Authority (“NEPRA”) for modification in the Company’s Generation License No. SGC/115/2016, issued on 14 April 2016 (“Generation License”), pursuant to Regulation 10(1) of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations 2021 (the “AMECPR”).

It is submitted that the Company had previously filed an Application Licensee Proposed modification dated 16 July 2019 (“LPM-II”), which is pending determination before the Authority. As per the text of modification in LPM-II, the Company sought the addition of one (1) more bulk power consumer (BPC) in its generation license.

Now the Company applies for a third modification request (“LPM-III”) for addition of eleven (11) new BPCs and deletion of two (2) BPC from its generation license, details of which are provided in the attached documents.



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Therefore, keeping in view that both LPM-II and LPM-III ("LPMs") seek modifications in Schedule I of the Generation License, the Authority is requested to club both LPMs so that the same may be decided together. Alternatively, the Authority may also consider the instant LPM as an amendment to LPM-II, in the interest of time and resources.

I certify that the documents-in-support attached with this application are prepared and submitted in conformity with the provisions of the AMECPR. 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.

A Bank Draft/Pay Order in the sum of Rupees 500,000/- , being the modification application fee calculated in accordance with Schedule II to the AMECPR is also attached herewith.

As the earlier LPMs filed by the Company are pending, we respectfully request the learned Authority to allow the clubbing of this Application with the earlier Application(s).

Yours sincerely,



Samina Aslam,

Samina Aslam

Company Secretary



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**APPLICATION FOR LICENSEE PROPOSED MODIFICATION OF
GENERATION LICENSE NO. SGC/115/2016 DATED 14 April 2016**

**ON BEHALF OF
NISHAT (CHUNIAN) LIMITED
(FORMERLY, NC ELECTRIC COMPANY LIMITED)**

1. LEGAL BASIS

- 1.1 Nishat (Chunian) Limited (formerly, NC Electric Company Limited) (the “Company” or “NCL”) in pursuance of *inter alia*, Regulation 10(1) of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations 2021 (the “AMECPR”) and other applicable provisions of the Regulation for Generation, Transmission and Distribution of Electric Power Act, 1997 (the “Act”), rules and regulations submits this Application for Licensee Proposed Modification (the “LPM Application”) in respect of its Generation License No. SGC/115/2016, dated 14 April 2016 (“Generation License”), before the National Electric Power Regulatory Authority (the “Authority” or “NEPRA”).

2. BACKGROUND

- 2.1 NCL is a company incorporated under the Companies Ordinance 1984, established for the purpose of generation and sale of electric power as a special purpose vehicle for the development of the Project.

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- 2.2 The Company, in accordance with the Section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the “NEPRA Act”), submitted an Application for grant of Generation License on 15 July 2015.
- 2.3 The Authority granted a Generation License to NCL for 46.00 MW Imported/Indigenous Coal based Generation Facility/Thermal Power Plant at 49-KM Lahore-Multan Road, Moza Gagga Phoolnagar, Tehsil Pattoki, District Kasur in the Province of Punjab (“Project”), in terms of Section 15 of the NEPRA Act.
- 2.4 Project was set up primarily to meet the electric power requirements of the group companies of Nishat Chunian Limited, however some of the available surplus electricity was to be supplied to nearby located industrial units. In addition to supply of electricity to two complexes of Nishat Chunian Limited, the Authority approved the supply of surplus power to Abu Bakar Textile Mills Limited, Marral Textile Mills Limited, Hussain Mills Limited and Azam Textile Mills Limited as bulk power consumers (“BPCs”) pursuant to Section 21 of the NEPRA Act.
- 2.5 The Company filed an application for Licensee Proposed Modification in the Generation License on 31 March 2017 (“LPM-I”), seeking the addition of nine (9) more BPCs i.e. Saaz Gold Industries (Private) Limited, Popular Juice Industries (Private) Limited, Saritow Spinning Mills Limited, BBJ Pipe Industries (Private) Limited, Millat Industries Product Ltd., Sky Textile Mills Ltd., Ghani Auto Industries Ltd., Liven Pharma (Pvt.) Ltd., and Medi Gas Oxygen (Pvt.) Ltd, bringing the total number of BPCs to fifteen (15). The Authority approved LPM-I vide its decision dated 19 February 2018.
- 2.6 The Company filed another modification application (“LPM-II”) on July 16, 2019, seeking the addition of another BPC i.e. BBJ Steel Limited in its Generation License. The LPM-II is still pending determination before the Authority.
- 2.7 Further, it is clarified that NC Electric Company Limited (“NCECL”) was a wholly owned subsidiary of NCL. NCECL and NCL filed a joint petition under Sections 279 to 283 and 285 of the Companies Act 2017 read with SRO. 840(I)/2017 dated 24 August 2017



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before the Lahore High Court (C.O. No. 9141/2020) seeking sanction of the Scheme of compromises, arrangements and re-construction for amalgamation/merger of both companies. The principal object of this Scheme is to ensure and effect the merger/amalgamation of NCECL into NCL through the transfer and vesting in NCL of the undertaking and business of NCEPCL together with all the property, assets, rights and liabilities and obligations of every description of NCECL against the equity investment made in NCECL by NCL and the dissolution of NCECL without winding up or any further act or deed or documents being required to be executed, registered or filed in respect of such transfer, vesting, assumption and/or dissolution (the "**Scheme of Merger**").

- 2.8 Pursuant to Order dated 17 February 2020 in C.O. No. 9141/2020, the High Court directed both companies to convene an Extraordinary General Meeting (EGM) to ascertain the wishes of shareholders and publish the merger notice in two newspapers. Two Chairmen were tasked with submission of report within 7 days of the EGM.
- 2.9 Both meetings were duly convened on 31 March 2020. The Scheme of Arrangement approved by the Board of Directors was placed before the members of both Companies in the EOGM, who unanimously approved it.
- 2.10 After submission of report, the High Court allowed the petition and sanctioned the Scheme of Merger vide order dated 24 June 2021.
- 2.11 The Authority was informed of the Scheme of Merger vide letter dated 6 August 2020 and sought the transfer of its Generation License to NCL, for all future communications. The Authority has yet to provide a reply on the same to the Company.



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3. NCL'S REQUEST FOR MODIFICATION IN ITS GENERATION LICENSE

3.1 In Schedule - I under the heading "Information Pertaining to the Bulk Power Consumer" in sub-clause (ii) the following two (2) names should be deleted from the list of names of BPCs:

- i. Nishat Chunian Limited (Zone-I) and
- ii. Nishat Chunian Limited (Zone-II), referred to as BPC-I and BPC-II, respectively, in the Schedule-I of the Generation License.

3.2 In Schedule - I under the heading "Information Pertaining to the Bulk Power Consumer" in sub-clause (ii) the following 11 names should be added to the list of names of BPCs:

- i. Iqbal Steel
- ii. A.W. Traders
- iii. Metal Master Business Co
- iv. Bismillah Steel
- v. Ali Agro
- vi. Farhad Steel Mills
- vii. Salman Industries
- viii. Ch. Hassan Ali Steel (Pvt.) Limited
- ix. Omair & Brothers Engineering (Pvt.) Limited
- x. Pak Steel
- xi. SS Steel Rolling Co

3.3 In Schedule - I under the heading "Information Pertaining to the Bulk Power Consumer" in sub-clause (iv) the following contracted load should be added for each BPC:

- i. 1 MW for Iqbal Steel
- ii. 1 MW for A.W. Traders
- iii. 1.5 MW Metal Master Business Co



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- iv. 1.6 MW for Bismillah Steel
- v. 1 MW for Ali Agro
- vi. 3 MW for Farhad Steel Mills
- vii. 2.8 MW for Salman Industries
- viii. 1 MW for Ch. Hassan Ali Steel (Pvt.) Limited
- ix. 1 MW for Omair & Brothers Engineering (Pvt.) Limited
- x. 1 MW for Pak Steel
- xi. 1.7 MW for SS Steel Rolling Company

3.4 In Schedule-I, under the column 'load factor' the following shall be added for each BPC:

- i. 0.75% - 0.85% for Iqbal Steel
- ii. 0.75% - 0.85% for A.W. Traders
- iii. 0.75% - 0.85% for Steel City Business
- iv. 0.75% - 0.85% for Bismillah Steel
- v. 0.75% - 0.85% for Ali Agro
- vi. 0.75% - 0.85% for Farhad Steel Mills
- vii. 0.75% - 0.85% for Salman Industries
- viii. 0.75% - 0.85% for Ch. Hassan Ali Steel (Pvt.) Limited
- ix. 0.75% - 0.85% for Omair & Brothers Engineering (Pvt.) Limited
- x. 0.75% - 0.85% for Pak Steel
- xi. 0.75% - 0.85% for SS Steel Rolling Company



3.5 In Schedule - I under the heading "Information Regarding Distribution Network for Supply of Power to Bulk Power Consumer" in sub-clause (i) the number of feeders should be changed from five (5) to three (3).

3.6 Kindly note that the remaining content of the Generation License regarding the Bulk Power Consumers of the Project, in particular the Authorisation as produced in

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Schedule-II, may also be changed/modified to reflect the proposed modification. The Amended Schedules reflecting the same shall be submitted to NEPRA as directed.

4. **STATEMENT OF REASONS IN SUPPORT OF THE MODIFICATION**

4.1 The Project has started commercial operations and is currently dispersing power in accordance with the Schedule I and Authorisation, as produced in the Generation License.

Kindly note that the Proposed Modification shall be in public interest as it will enable the Company to supply the excess/surplus power generation of the Project to eleven (11) more entities, being 16.50 MW for the term of the Generation License, which shall result in a more resourceful Project and the BPCs shall benefit from a continuous supply of electricity to run their businesses effectively to produce goods and materials carrying economic value. Please also note that the Proposed Modification is in compliance with the applicable laws, in particular Regulation 9(5) of the AMECPR and:

- (a) does not adversely affect the performance by the Company of its obligations;
- (b) does not cause the Authority to act or acquiesce in any act or omission of the licensee in a manner contrary to the provisions of the NEPRA Act or the rules or regulations made pursuant to the NEPRA Act;
- (c) is or is likely to be beneficial to the consumers;
- (d) is reasonably necessary for the licensee to effectively and efficiently perform its obligations under the Generation License; and

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(e) is reasonably necessary to ensure the continuous, safe and reliable supply of electric power to the consumers keeping in view the financial and technical viability of the Company.

4.2 The NEPRA Act provides that “in performing its functions under this Act, the Authority shall, as far as practicable, protect the interests of consumers and companies providing electric power services in accordance with guidelines, not inconsistent with the provisions of this Act, laid down by the Federal Government” ; whereas in relation to organisational matters, it provides that “.....the Authority may in the public interest, with or without modifications, approve the following activities by a licensee for generation, transmission and distribution, namely:- (b) the expansion of a licensee’s business activities.....”

4.3 The lenders, usually the most conservative stakeholders, have also appreciated this initiative/Proposed Modification, the Company believes that proceeding with the Proposed Modification will not be against public interest, and shall prove mutually beneficial for all stakeholders, including the consumers who will benefit from power generated from a more resourceful Project.

5. **IMPACT OF THE PROPOSED MODIFICATION**

5.1 **Impact on Tariff**

It is hereby submitted that the proposed modification would not impact the tariff of the Company.

5.2 **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 effected on acceptance by NEPRA of this LPM Application. As mentioned above, the Company has been fully diligent and



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dedicated in the performance of its services and aspires to provide cheap energy to the consumers.

5.3 Impact on the obligations of the Company under the License

The proposed modification would facilitate the Company in fulfilling its obligations under the Generation License and its power purchase agreements with bulk power consumers listed in its Generation License and subsequent modifications thereto.

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PRAYER

It is most humble prayed to the esteemed Authority that:

- A. The Authority may kindly approve the modification of NCL's Generation License for:
(i) deletion of two (2) BPCs in its generation license, and (ii) addition of 11 new BPCs in its Generation License;
- B. The Authority may be pleased to treat the Company's request for modification of Generation License expeditiously and on non-discriminatory basis;
- C. 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 NCL shall remain available to assist the Authority in further queries/clarifications.

Sincerely,



Samira Islam

Nishat (Chunian) Limited (formerly, NC Electric Company Limited)



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**EXTRACT OF RESOLUTION PASSED BY THE BOARD OF DIRECTORS OF NISHAT
(CHUNIAN) LIMITED (FORMERLY, NC ELECTRIC COMPANY LIMITED)
("COMPANY") THROUGH RESOLUTION BY CIRCULATION ON JUNE 21, 2021**

"Modification in Generation License No. SGC/115/2016"

RESOLVED THAT the Company is hereby authorized to file the Licensee Proposed Modification ("LPM-III") in respect of Generation License SGC/115/2016 (the "**Generation License**"), under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, before the National Electric Power Regulatory Authority ("**NEPRA**").

FURTHER RESOLVED THAT Ms. Samina Aslam is hereby authorized for and on behalf of the Company to sign all necessary documents, pay necessary fee, appear before the Authority as needed and do all that is necessary for processing and completion of the LPM-III.

FURTHER RESOLVED THAT Advocates of RIAA Barker Gillette are to appear and act for the Company in connection with the processing and presentation of the LPM-III. Further resolved that the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the LPM-III before NEPRA.

CERTIFIED TO BE TRUE COPY
Nishat (Chunian) Limited
Samina Aslam
Company Secretary

Certified to be true copy

Samina Aslam
Samina Aslam
Company Secretary

CERTIFICATION

Certified that, the above resolution was duly passed by the Board of Directors of Nishat (Chunian) Limited through resolution by circulation on June 21, 2021.

Further Certified that the said resolution has not been rescinded and is in operation and that this a certified true copy thereof.





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VAKALATNAMA

We, Nishat (Chunian) Limited (formerly, NC Electric Company Limited) (the “Company”), hereby appoint and constitute Mr Nadir Altaf, Mr Haseeb Rao, Mr Waleed Munir and Ms Sara Aziz, Advocates of RIAA Barker Gillette, to appear and act for and on behalf of the Company in connection with the processing and presentation of the LPM. Further resolved that the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the Application for Licensee Proposed Modification in respect of Generation License No. SGC/115/2016 vide letter decision dated 14 April 2016 with the National Electric Power Regulatory Authority (“NEPRA”), under the NEPRA Laws.

I/We also authorize the said Advocates or any one of them to do all acts and things necessary for the processing, completion and finalization of the Application with NEPRA.

For and on behalf of
Nishat (Chunian) Limited
(formerly, NC Electric Company Limited)



Samina Aslam,

[Authorized signatory]

Accepted

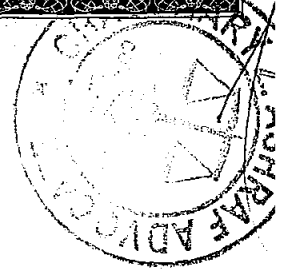
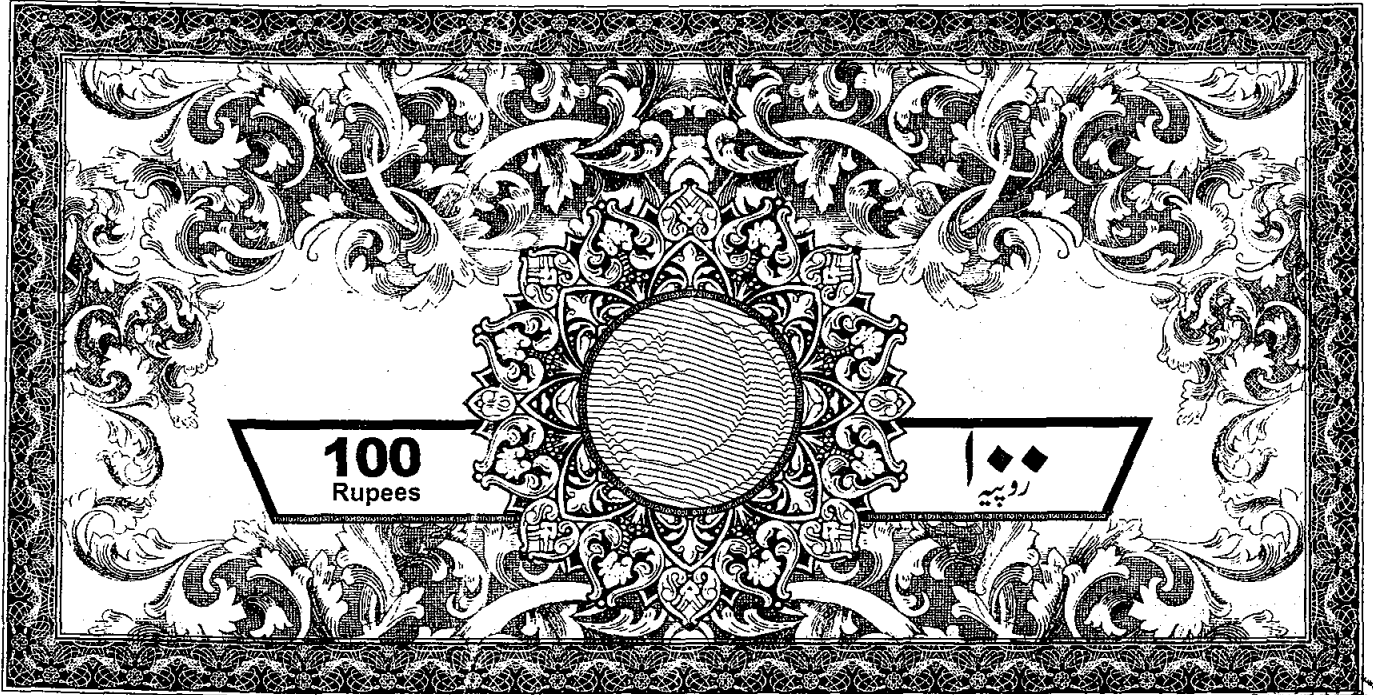
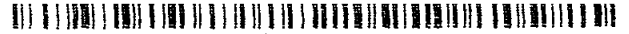
RIAA Barker Gillette

Advocates & Corporate Counsels

3rd Floor, 65-W, Executive Heights, Block-H,

Fazl-ul-Haq Road, Blue Area,

Islamabad.



BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

AFFIDAVIT

I, **Samina Aslam** (holding CNIC no. 36104-8024183-8), daughter of Muhammad Aslam Shahid and resident of Gali Qadir Baksh wali, Mohalla Kacha Talamba, Mian Channu, Zila Khanewal, Authorized representative of Nishat (Chunian) Limited (formerly operating as NC Electric Company Limited), do hereby solemnly affirm and declare that the contents of the accompanying Licensee Proposed Modification ("LPM-III") in respect of Generation License No. SGC/115/2016 and supporting documents are true, correct, authentic and accurate to the best of my knowledge and nothing material has been concealed therein.

I also affirm that all further documentation and information to be provided by me in connection with the accompanying LPM-III that whatever stated above is true and correct to the best of my knowledge and belief.



Samina Aslam
 DEPONENT
ATTESTED
 Chaudhary [Signature]
 Oath Commissioner Lah