



National Electric Power Regulatory Authority

Islamic Republic of Pakistan

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Registrar

No. NEPRA/DG(Lic)/LAG-485/30095-01

June 22, 2021

Mr. Dost Muhammad Baloch

Resident Director

Matol (Private) Limited

Matiari House, C-48, K.D.A Scheme 1

Karachi

Subject: **Grant of Generation Licence No. SGC/156/2021**
Licence Application No. LAG-485
Matol (Private) Limited (MTPL)

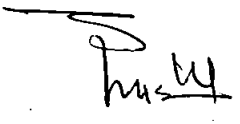
Reference: Your letter No. nil dated 12-06-2020

Enclosed please find herewith Determination of the Authority in the matter of application of Matol (Private) Limited (MTPL) for the grant of generation licence along with Generation Licence No. SGC/156/2021 annexed to this determination granted by the National Electric Power Regulatory Authority (NEPRA) to MTPL for its 6.20 MW Bio-Gas based Generation/Co-Generation Facility located at Deh Pannu, Nasar Pur Road, Taluka and District Matiari in the Province of Sindh, pursuant to Section 14(B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (NEPRA Amended Act).

2. Please quote above mentioned Generation Licence No. for future correspondence.

Enclosure: As Above




22 06 21
(Syed Safer Hussain)

Copy to:

1. Secretary, Power Division, Ministry of Energy, 'A' Block, Pak Secretariat, Islamabad
2. Managing Director, NTDC, 414 WAPDA House, Lahore
3. Chief Executive Officer, Central Power Purchasing Agency Guarantee Ltd, 73 East, A.K. Fazl-ul-Haq Rd, Blue Area, Islamabad
4. Chief Executive Office, Alternative Energy Development Board, 2nd Floor, OPF Building, G-5/2, Islamabad
5. Director General, Environmental Protection Agency, Government of Sindh, Plot No. ST/2/1, Sector 23, Korangi Industrial Area, Karachi
6. Chief Executive Officer, Hyderabad Electric Supply Company, Old State Bank Building, G.O. R Colony, Hyderabad

National Electric Power Regulatory Authority
(NEPRA)

Determination of the Authority
in the Matter of Application of Matol (Private) Limited for
Grant of the Generation Licence

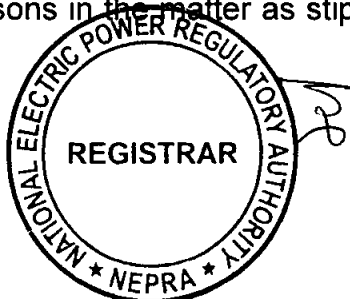
June , 2021
Case No. LAG-485

(A). Filing of Application

(i). Matol (Private) Limited (MTLPL) submitted an application on June 16, 2020 for the grant of generation licence in terms of Section-14B of Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the "NEPRA Act") read with the relevant provisions of the NEPRA Licensing (Application and Modification Procedure) Regulations, 1999 (the "Licensing Regulations").

(ii). The Registrar examined the submitted application and found that the application was deficient in terms of the Licensing Regulations. In view of the said, the Registrar directed MTLPL for submitting the missing information/documents as required under the said regulations. MTLPL completed the submission of missing information/documentation by August 18, 2020. Accordingly, the Registrar submitted the matter for the consideration of the Authority to decide the admission of the application or otherwise.

(iii). The Authority considered the matter and found the form and content of the application in substantial compliance with Regulation-3 of the Licensing Regulations. In consideration of the said, the Authority admitted the application on August 24, 2020 for consideration of the grant of generation licence as stipulated in Regulation-7 of the Licensing Regulations. The Authority approved a Notice of Admission/Notice to invite comments of general public, interested and affected persons in the matter as stipulated in Regulation-8 of the Licensing Regulations.



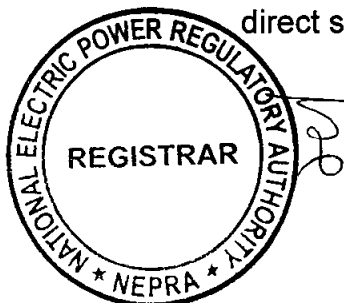
Accordingly, Notices were published in one (01) Urdu and one (01) English newspapers on August 27, 2020.

(iv). In addition to the above, the Authority also approved a list of stakeholders for seeking their comments for its assistance in the matter in terms of Regulation-9(2) of the Licensing Regulations. Accordingly, letters were sent to different stakeholders as per the approved list on August 27, 2020, soliciting their comments for assistance of the Authority.

(B). Comments of Stakeholders

(i). In reply to the above, the Authority received comments from three (03) stakeholders including Board of Investment (BoI), National Transmission and Despatch Company Limited (NTDC) and Hyderabad Electric Supply Company Limited (HESCO). The salient points of the comments offered by the above mentioned stakeholders are summarized in the paragraphs as mentioned below: -

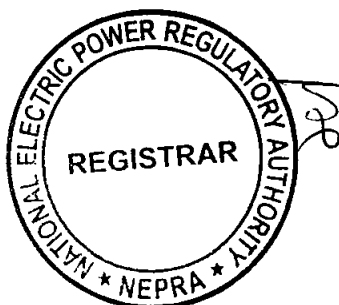
- (a). BOI in its comments stated that no policy matter/issue is involved in the matter therefore, it has no comments to offer;
- (b). NTDC remarked that the generation facility of the company/MTLPL is already existing and the same is not dispatched centrally nor is evacuated through its system. In view of the said, the comments of NTDC may be considered as "NIL"; and
- (c). HESCO submitted that MTLPL has approached the Authority for the grant of generation licence for supplying to its two (02) sister concerns from its existing generation facility. In this regard, it is highlighted that the generation company/MTLPL and the proposed BPC(s) are existing consumers of HESCO and are the main source of revenue for the utility and allowing direct sale to such consumers through generation companies



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will deprive the utility from this earning and will impact its financial viability resulting in higher losses and increase in tariff for the rest of the consumers of the utility. In compliance with the provision Grid Code, NTDC in preparing an Indicative Generation Capacity Expansion Plan (IGCEP) and it is not clear that such type of generation is being consider in the said plan or not. HESCO considers that if less electric power is drawn from the National Grid, it will result in increase in capacity charges to existing generation facilities having long term contracts with the power purchaser. The Authority should review the demand-supply situation before granting any further generation licences to avoid the financial implications.

(ii). The Authority considered the above comments and in view of the observations of HESCO considered it appropriate seeking perspective of MTLPL. On the said, MTLPL submitted that it is true that not only MTLPL but other associated companies of Matiari Group (MTG) including its floor mill and sugar mills are existing consumers of HESCO. In this regard, it is pertinent to mention that the group companies are located at far flung area of the province of Sindh where the supply situation from the utility is not only unstable but very unreliable experiencing long hours of outages. The said situation is very detrimental for the smooth and reliable operation of any industrial concern requiring a continuous and stable supply for its operations. In consideration of the said, the sponsors of the MTG has set up a generation facility at MTLPL. In order to run the said facility on a sustainable basis, the sponsors has envisaged supplying to the affiliated companies of the group as BPC(s) which is completely in line with the provisions of the NEPRA Act. MTLPL conceded that industrial consumers are major source of revenue for all the utilities including HESCO however, reliability, continuity of supply on affordable prices is also an issue that needs to be considered. As explained above, the system of HESCO in the vicinity is not stable and resultantly



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the sponsors have set a generation facility from where other BPC(s) will also be supplied as stipulated under the relevant provisions of the NEPRA Act.

(iii). The Authority considered the above submissions of MTLPL and considered it appropriate to proceed further in the matter of the application of MTLPL for the grant of generation licence as stipulated in the Licensing Regulations and NEPRA Licensing (Generation), Rules 2000 (the "Generation Rules").

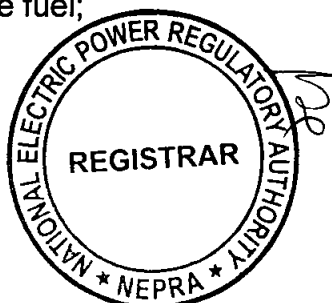
(C). Evaluations/Findings

(i). The Authority examined the submissions of MTLPL including the information provided with its application for the grant of generation licence, the comments of the stakeholders, rejoinder submitted by the company/applicant/MTLPL, the relevant rules and regulations in the matter.

(ii). The Authority has observed that the applicant i.e. MTLPL is private limited company incorporated under Section-32 of the Companies Ordinance, 1984 (XLVII of 1984) vide Company Registration No. K-09675 of 2003-2004. The Head Office of the company is Matiari House C-48 KDA Scheme-I, Karachi in the province of Sindh.

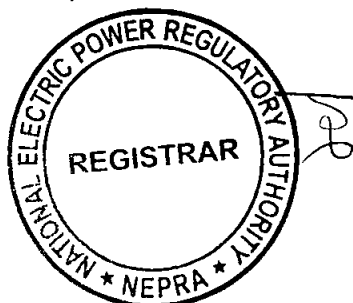
(iii). The objectives of the company as stipulated in the memorandum of association, *inter alia*, include the businesses of of power generation and its sale. The applicant company i.e. MTLPL is an affiliated company of the MTG involved in diversified portfolio of investment including sugar mills, distillery, flour mills and security services etc.

(iv). The Authority has observed that MTLPL has set up a Captive Power Plant (CPP) at its above mentioned factory with a total Installed Capacity 6.20 MW consisting three Steam Turbine units of 1 x 1.20 MW, 1 x 2.00 MW and 1 x 3.00 MW and two low pressure boilers with Bio Gas as the primary fuel and Bagasse as alternate fuel;



(v). According to submitted information, MTLPL now plans supplying to the two affiliated undertakings of the group including Matiari Sugar Mills Limited-MSML and Matiari Flour Mills (Pvt.) Limited-MFMPL (1.00 MW) to the tune of 1.50 MW and 1.00 MW respectively as BPC(s). It is pertinent to mention that BPC is defined term as stipulated in Section-2(ii) of the NEPRA Act. According to the said, a BPC is a consumer which purchases or receives electric power, at one premises, in an amount of one (01) megawatt-MW or more or in such other amount and voltage level and with such other characteristics as the Authority may specify and the Authority may specify different amounts and voltage levels and with such other characteristics for different areas. In terms of Section-2(xxva) of the NEPRA Act, for the purpose of specified means specified by regulations made by the Authority under the NEPRA Act. It is pertinent to mention that the relevant regulation in this regard are still under formation and in the absence of the same the Authority has been allowing even amount of less than 1.00 MW to be treated as BPC therefore, above mentioned entities qualifies to be considered as BPC. In view of the said, the Authority considers that the above entities qualify to be considered as BPC(s) of the generation company/MTLPL.

(vi). In consideration of the above, MTLPL plans supplying to above BPC(s) through an underground cables located on the private property owned by the respective BPC(s) not involving any public or third party. Section-2(v) of the NEPRA Act defines the term "Distribution" wherein the ownership, operation, management and control of distribution facilities located on private property and used solely to move or deliver electric power to the person owning, operating, managing and controlling those facilities or to tenants thereof is not included in the definition of "distribution". As explained above, the distribution facilities to be used for delivery of electric power to BPC(s) are located on private property (without involving any public property or any third party) will be owned, operated, managed and controlled by the respective entity therefore, the supply of electric power to various entities by MTLPL does not constitute a distribution

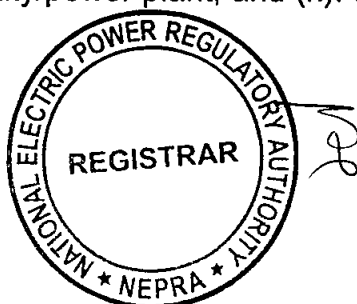


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activity under the Act, and a distribution licence will not be required by the company.

(vii). As explained in the preceding paragraphs, MTLPL has approached the Authority for the grant of generation licence for its CPP. In this regard, MTLPL has confirmed that the said facility is compliant with the relevant required environmental standards and has also provided the required No Objection Certificate from Environmental Protection Agency the Govt. of Sindh (EPAGoS). In view of the importance of the matter, the Authority considers that MTLPL is made obligatory to comply with the relevant environmental standards for which a separate article may be included, if a generation licence is granted.

(viii). The Rule-3(5) of the Generation Rules stipulates that the Authority may refuse to issue a generation licence where the site, technology, design, fuel, tariff or other relevant matters pertaining to the generation facility/power plant proposed in an application for a generation licence are either not suitable on environmental grounds or do not satisfy the least cost option criteria. In this regard, the Rule-3(5) of the Generation Rules stipulates the conditions pertaining to Least Cost Option Criteria which includes: - (a). sustainable development or optimum utilization of the RE or non-RE resources proposed for generation of electric power; (b). the availability of indigenous fuel and other resources; (c). the comparative costs of the construction, operation and maintenance of the proposed generation facility/co-generation facility/power plant against the preferences indicated by the Authority; (d). the cost and right-of-way considerations related to the provision of transmission and interconnection facilities; (e). the constraints on the transmission system likely to result from the proposed generation facility/co-generation facility/power plant and the costs of the transmission system expansion required to remove such constraints; (f). the short-term and the long-term forecasts for additional capacity requirements; (g). the tariff resulting or likely to result from the construction or operation of the proposed generation facility/co-generation facility/power plant; and (h). the optimum utilization of various sites in the context



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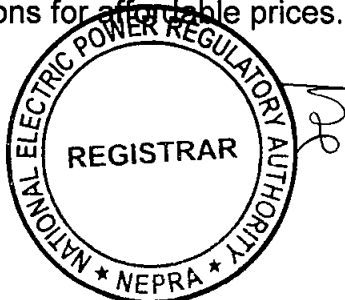
of both the short-term and the long-term requirements of the electric power industry as a whole.

(ix). In consideration of the above, the Authority considers the CPP is resulting in optimum utilization of the RE, producing pollution free electric power. It is pertinent to mention that bagasse/biomass/biogas are indigenous sources and such resources have a preference for the energy security. As explained in the preceding paragraphs above, the company will be supplying electric power to BPC(s) directly which only involve laying small feeder(s), this concludes that the CPP will not face any constraints in transmission of electric power. Further, being located in the same vicinity as that of the BPC(s), the CPP will not result in cost and right-of-way issues for the provision of interconnection facilities. In view of the said, the Authority considers that the project of MTLPL fulfills the eligibility criteria for the grant of the generation licence as stipulated in the NEPRA Act, rules and regulations and other applicable documents.

(D). Grant of Licence

(i). The Authority considers that sustainable and affordable energy/electricity is a key prerequisite for socio-economic development of any country. In fact, the economic growth of any country is directly linked with the availability of safe, secure, reliable and cheaper supply of energy/electricity. The Authority is of the considered opinion that for the industry of the country to be competitive, it is imperative that electricity to the industry is provided on an affordable price in a reliable fashion and on a continuous basis.

(ii). In consideration of the above, the Authority is of the considered opinion that the Supply-Demand situation in the country has improved manifold and in fact there is available surplus capacity in the system. Despite the said, the issues of affordability, reliability and security are still haunting the end consumers specially the industrial units which are facing stiff competition from their peers worldwide. Due to the said issues, the industrial units are forced to explore other options for affordable prices.

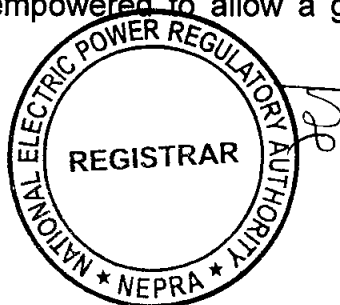


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(iii). The Authority has observed that in the current case, MTLPL has approached it for the grant of a generation licence for its generation facility located at Deh Pannu, Nasar Pur Road, taluka and district Matiari in the province of Sindh currently being used as a CPP as it intends supplying to its sister concerns i.e. MSML (1.50 MW) and MF MPL (1.00 MW) as BPC(s). The Authority considers that the above proposal of MTLPL is in line with the provisions of the NEPRA Act, relevant rules and regulations framed thereunder. The proposal will not only allow MTLPL to use its generation facility in an optimum manner but will provide the above mentioned entities low cost affordable electricity for its operations. Further to the said, the proposal will also help in reducing the carbon emission by generating clean electricity from biomass, thus improving the environment.

(iv). As explained above, MTLPL has provided the details of location, technology, size, net capacity, interconnection arrangements, technical details and other related information for its generation facility which are being incorporated in the generation licence. Further to the said, the Authority has observed that generation facility of MTLPL will not only be used for self-use but also for supplying to above mentioned entities as BPC(s). According to Section-2(ii) of the NEPRA Act, a consumer which purchases or receives electric power at one premises, in an amount of one (01) Mega Watt or more or in such amount and voltage level and with such characteristics as the Authority may specify, is treated as BPC. As explained in the preceding paragraphs, MTLPL will be supplying electric power to MSML (1.50 MW) and MF MPL (1.00 MW) to the tune of 1.50 MW and 1.00 MW which is well above the benchmark set in the NEPRA Act therefore, the Authority allows the above mentioned entities to be BPC(s) of MTLPL.

(v). Regarding supply to MSML and MF MPL, the Authority observes that the proposed BPC(s) and the generation facility of MTLPL are located within the same premises and the BPC will be supplied through underground cable/feeder of 220/440 volt. Pursuant to proviso to Section-21/22 of the NEPRA Act, the Authority is empowered to allow a generation company to sell electric power to a BPC

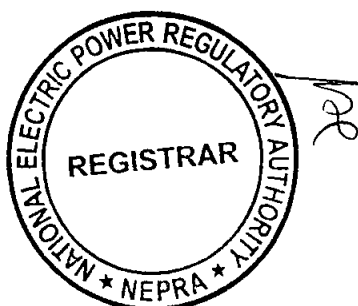


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located in the service territory of a distribution company. In view of the said, the Authority allows the MTLPL to sell electricity to BPC(s). Further, under Section-2(v) of the NEPRA Act, ownership, operation, management and control of distribution facilities located on private property and used solely to move or deliver electric power to the person owning, operating, managing and controlling those facilities or to tenants thereof has not been included in the definition of "distribution". Based on the said considerations that the proposed BPC(s) are located within the same premises and no public areas are involved, the supply of power to BPC(s) by MTLPL does not constitute a distribution activity under the NEPRA Act, and MTLPL will not require a distribution licence for supplying to the BPC(s).

(vi). The Rule-5(1) of the Generation Rules stipulates that the term of a generation licence is to be consistent with the maximum expected useful life of the units comprised in a generating facility, except where an applicant consents to a shorter term. According to the information provided by MTLPL, its CPP consists of three different units which were installed in 2006, 2013 and 2015 respectively. In this regard, MTLPL has estimated the useful life of the each unit of Steam Turbine to be more than thirty (30) years and has requested the term to the proposed generation licence to be based on the said parameters. The Authority considers that as per the industry standards and practices, the useful life of Steam Turbine is taken as thirty (30) years. The latest unit of the Steam Turbine was commissioned in 2015 and has completed almost six (06) years of operation and has balance useful life of twenty four (24). In view of the said, the Authority fixes the term of the generation licence to twenty four (24) years from the date of its issuance.

(vii). About compliance with the environmental standards, as explained in the preceding paragraphs, MTLPL has applied for the grant of the generation licence which is already existing/operational, having NOC from EPAGoS. In view of the importance of the issue, the Authority decides to include a separate article



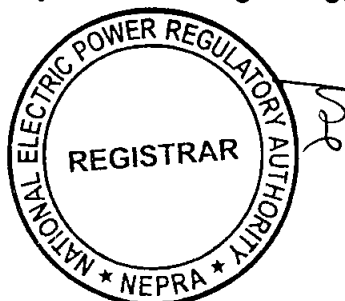
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in the generation licence along with other terms and conditions making it obligatory for MTLPL to comply with relevant environmental standards at all times.

(viii). Regarding the rates, charges and terms and conditions of tariff between MTLPL and its BPC(s), it is reiterated that under Section-7(3)(a) of the NEPRA Act, determining tariff, rate and charges etc. is the sole prerogative of the Authority. However, the Authority observes that tariff between MTLPL and its BPC(s), does not affect any other consumer or third party. Therefore for the purpose of tariff, the Authority considers it appropriate directing MTLPL and its BPC(s) to agree on a bilateral agreement and accordingly MTLPL will be allowed to charge the agreed tariff subsequent to the grant of generation licence.

(ix). The Authority has considered the comments of the stakeholders and has observed that apart from HESCO all the others stakeholders have supported the grant of generation licence. In this regard, the Authority has observed that HESCO has raised objections including (a). proposed BPC(s) are existing consumers of the utility/DISCO the arrangement will result in loss of revenue; (b). IGCEP is under preparation and it is not clear that such type of generation is being consider in the said plan or not; and (c). The proposed arrangement will result in increase in capacity charges due to lessor withdrawal from the National Grid.

(x). In consideration of the above, the Authority clarifies that Section-22 of the NEPRA Act allows BPC(s) to get electric power from any generation company. It is true that the proposed arrangement will have financial impact for the utility however, to mitigate such situations HESCO should not only increase its consumer base but also improve the quality of service to avoid shifting of BPC(s) to other sources. It is matter of record that BPC(s) are located in a remote area and the quality of service of the utility is very poor facing severe outages justifying supply from MTLPL. Further, there is no bar in the law for having dual connection/supply (i.e. utility or own arrangement or third party generation) for BPC(s) and the same can receive electric power from the generating company and the utility/DISCO. Regarding, the observation pertaining to IGCEP, the Authority

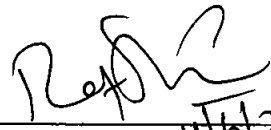


directs NTDC and HESCO to closely coordinate to map a pragmatic demand supply estimate for the input of IGCEP. In view of the said, the Authority considers that the observations of the HESCO stand addressed and resolved.


(xi). In view of the above, the Authority hereby approves the grant of Generation Licence to MTLPL on the terms and conditions set out in the same annexed to this determination. The grant of Generation Licence will be subject to the provisions contained in the NEPRA Act, relevant rules, regulations framed thereunder and other applicable documents.

Authority:

Rafique Ahmed Shaikh
(Member)


11/6/21

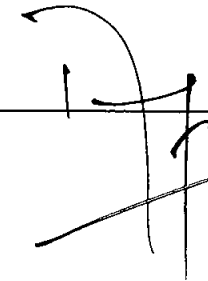
Rehmatullah Baloch
(Member)

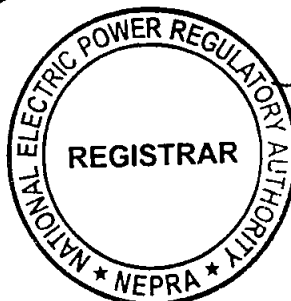

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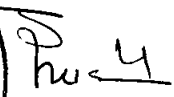
Saif Ullah Chattha
(Member/Vice Chairman)

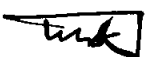
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Engr. Tauseef H. Farooqi
(Chairman)






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**National Electric Power Regulatory Authority
(NEPRA)**

Islamabad – Pakistan

GENERATION LICENCE

No. SGC/156/2021

In exercise of the powers conferred upon the National Electric Power Regulatory Authority (NEPRA) under Section-14(B) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended or replaced from time to time, the Authority hereby grants a Generation Licence to:

Matol (Private) Limited

Incorporated under Section-32 of
the Companies Ordinance, 1984 (XLVII of 1984) having Registration
No. K-09675 of 2003-2004, dated November 24, 2003

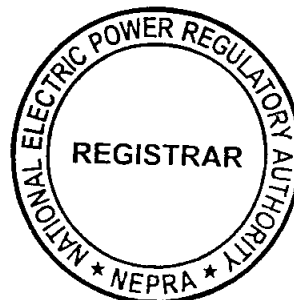
**for its Bio-Gas based Generation Facility/Co-Generation
Facility/Thermal Power Plant located at Deh Pannu, Nasar Pur
Road, Taluka and District Matiari in the Province of Sindh**

(Installed Capacity: 6.20 MW Gross ISO)

to engage in generation business subject to and in accordance with the
Articles of this Licence.

Given under my hand on 22nd day of June Two Thousand &
Twenty-One and expires on 21st day of June Two Thousand &
Forty-Five.

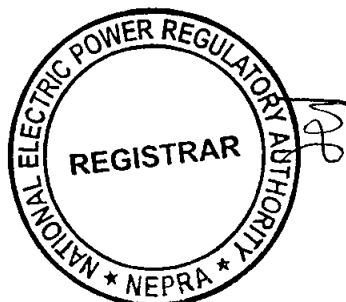

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Registrar



Article-1 Definitions

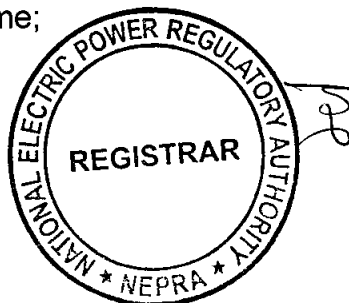
1.1 In this Licence

- (a). "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, as amended or replaced from time to time;
- (b). "Applicable Documents" mean the Act, the rules and regulations framed by the Authority under the Act, any documents or instruments issued or determinations made by the Authority under any of the foregoing or pursuant to the exercise of its powers under the Act, the Grid Code, the applicable Distribution Code, the Commercial Code if any, or the documents or instruments made by the Licensee pursuant to its generation licence, in each case of a binding nature applicable to the Licensee or, where applicable, to its affiliates and to which the Licensee or any of its affiliates may be subject;
- (c). "Applicable Law" means all the Applicable Documents;
- (d). "Authority" means the National Electric Power Regulatory Authority constituted under Section-3 of the Act;
- (e). "Bulk Power Consumer (BPC)" means a consumer which purchases or receives electric power, at one premises, in an amount of one (01) megawatt or more or in such other amount and voltage level and with such other characteristics as the Authority may specify and the Authority may specify different amounts and voltage levels and with such other characteristics for different areas;



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- (f). "Bus Bar" means a system of conductors in the generation facility/Co-Generation Facility/Thermal Power Plant of the Licensee on which the electric power from all the generators is collected for supplying to the Bulk Power Consumer(s);
- (g). "Co-Generation Facility" means the generation facility for simultaneous production of both electric power and heat or steam for industrial processes from a common fuel source;
- (h). "Distribution Code" means the distribution code prepared by the concerned XW-DISCO and approved by the Authority, as may be revised from time to time with necessary approval of the Authority;
- (i). "Generation Rules" mean the National Electric Power Regulatory Authority Licensing (Generation) Rules, 2000 as amended or replaced from time to time;
- (j). "Grid Code" means the grid code prepared and revised from time to time by NTDC with necessary approval of the Authority;
- (k). "Law" means the Act, relevant rules and regulations made there under and all the Applicable Documents;
- (l). "Licence" means this licence granted to the Licensee for its generation facility/Co-Generation Facility/Thermal Power Plant;
- (m). "Licensee" means Matol (Private) Limited or its successors or permitted assigns;
- (n). "Licensing Regulations" mean the National Electric Power Regulatory Authority Licensing (Application & Modification Procedure) Regulations, 1999 as amended or replaced from time to time;

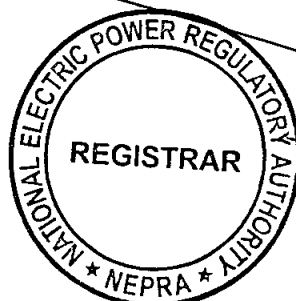


- (o). "NTDC" means National Transmission and Despatch Company Limited or its successors or permitted assigns;
- (p). "Power Purchaser" means the BPC which will be purchasing electric power from the Licensee, pursuant to a PPA for procurement of electric power;
- (q). "Power Purchase Agreement-PPA" means the power purchase agreement, entered or to be entered into by and between the Power Purchaser and the Licensee, for the purchase and sale of electrical energy generated by the generation facility, as may be amended by the parties thereto from time to time;
- (r). "Thermal Power Plant" means a generation facility/Co-Generation Facility or power plant using fossil fuel for generation of electric power;
- (s). "XW-DISCO" means an Ex-WAPDA distribution company engaged in the distribution of electric power".

1.2 The words and expressions used but not defined herein bear the meaning given thereto in the Act or rules and regulations issued under the Act.

Article-2 Applicability of Law

This Licence is issued subject to the provisions of the Applicable Law, as amended or replaced from time to time.



Article-3 **Generation Facilities**

3.1 The location, size (capacity in MW), technology, interconnection arrangements, technical limits, functional specifications and other details specific to the generation facility/Co-Generation Facility/Thermal Power Plant of the Licensee are set out in Schedule-I of this Licence.

3.2 The total installed capacity, the de-rated capacity, the auxiliary consumption of the and the net capacity generation facility/Co-Generation Facility/Thermal Power Plant of the Licensee and the amount of electric power available to BPC are set out in Schedule-II of this Licence.

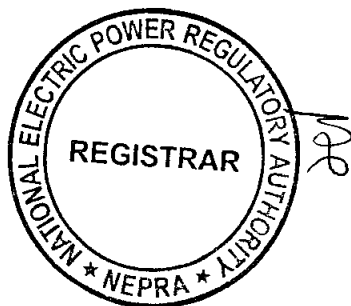
Article-4 **Term of Licence**

4.1 This Licence shall become effective from the date of its issuance and will have a term of twenty four (24) years from date of its issuance, subject to the provisions of Section-14(B) of the Act.

4.2 Unless suspended or revoked earlier, the Licensee may apply for renewal of this Licence ninety (90) days prior to the expiry of the above term, as stipulated in the Generation Rules read with the Licensing Regulations.

Article-5 **Licence fee**

The Licensee shall pay to the Authority the Licence fee as stipulated in the National Electric Power Regulatory Authority (Fees) Rules, 2002 as amended or replaced from time to time.



Article-6 **Tariff**

The Licensee is allowed to charge the Power Purchaser/BPC(s) a mutually agreed tariff.

Article-7 **Competitive Trading Arrangement**

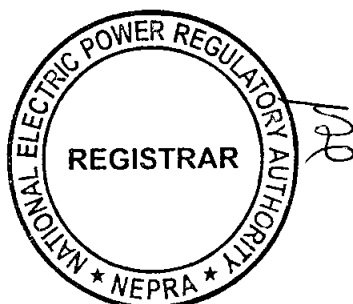
7.1 The Licensee shall participate in such manner as may be directed by the Authority from time to time for development of a Competitive Trading Arrangement.

7.2 The Licensee shall in good faith work towards implementation and operation of the aforesaid Competitive Trading Arrangement in the manner and time period specified by the Authority. Provided that any such participation shall be subject to any contract entered into between the Licensee and another party with the approval of the Authority.

7.3 Any variation or modification in the above-mentioned contracts for allowing the parties thereto to participate wholly or partially in the Competitive Trading Arrangement shall be subject to mutual agreement of the parties thereto and such terms and conditions as may be approved by the Authority.

Article-8 **Maintenance of Records**

For the purpose of sub-rule (1) of Rule-19 of the Generation Rules, copies of records and data shall be retained in standard and electronic form and all such records and data shall, subject to just claims of confidentiality, be accessible by authorized officers of the Authority.



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Article-9
Compliance with Performance Standards

The Licensee shall comply with the relevant provisions of the National Electric Power Regulatory Authority Performance Standards (Generation) Rules 2009 as amended or replaced from time to time.

Article-10
Compliance with Environmental & Safety Standards

10.1 The generation facility/Co-Generation Facility/Thermal Power Plant of the Licensee shall comply with the environmental and safety standards as may be prescribed by the relevant competent authority as amended or replaced from time to time.

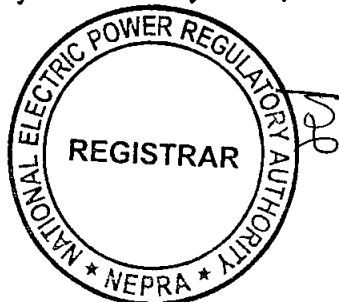
10.2 The Licensee shall provide a certificate on a bi-annual basis, confirming that the operation of its generation facility/Co-Generation Facility/Thermal Power Plant is in conformity with required environmental standards as prescribed by the relevant competent authority as amended or replaced from time to time.

Article-11
Power off take Point and Voltage

The Licensee shall deliver the electric power to the Power Purchaser at the outgoing Bus Bar of its generation facility/Co-Generation Facility/Thermal Power Plant. The Licensee shall be responsible for the up-gradation (step up) of generation voltage up to the required dispersal voltage level.

Article-12
Provision of Information

In accordance with provisions of Section-44 of the Act, the Licensee shall be obligated to provide the required information in any form as desired by the Authority without any exception.

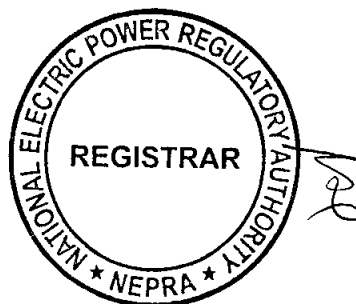


Article-13
Compliance with Applicable Law

The Licensee shall comply with the provisions of the Applicable Law, guidelines, directions and prohibitory orders of the Authority as issued from time to time.

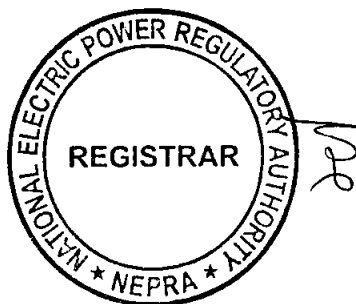
Article-18
Corporate Social Responsibility

The Licensee shall provide the descriptive as well as monetary disclosure of its activities pertaining to corporate social responsibility (CSR) on an annual basis.



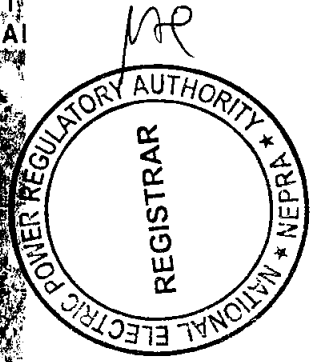
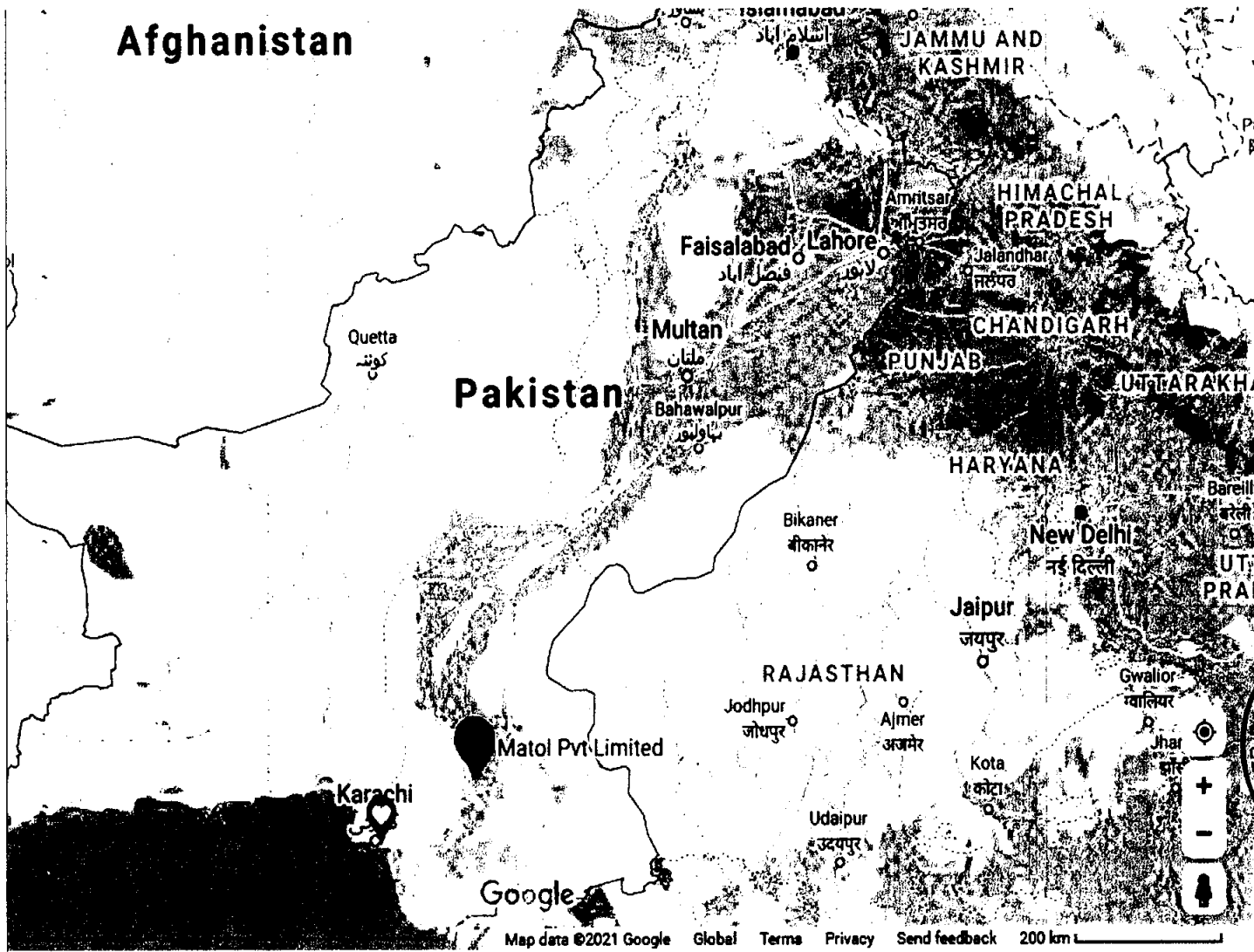
SCHEDULE-I

The Location, Size (i.e. Capacity in MW), Type of Technology, Interconnection Arrangements, Technical Limits, Technical/Functional Specifications and other details specific to the Generation Facilities of the Licensee are described in this Schedule.

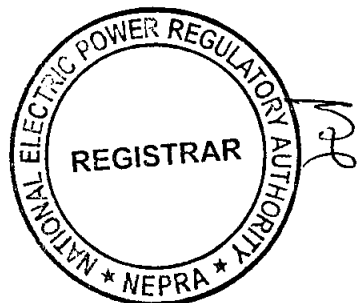
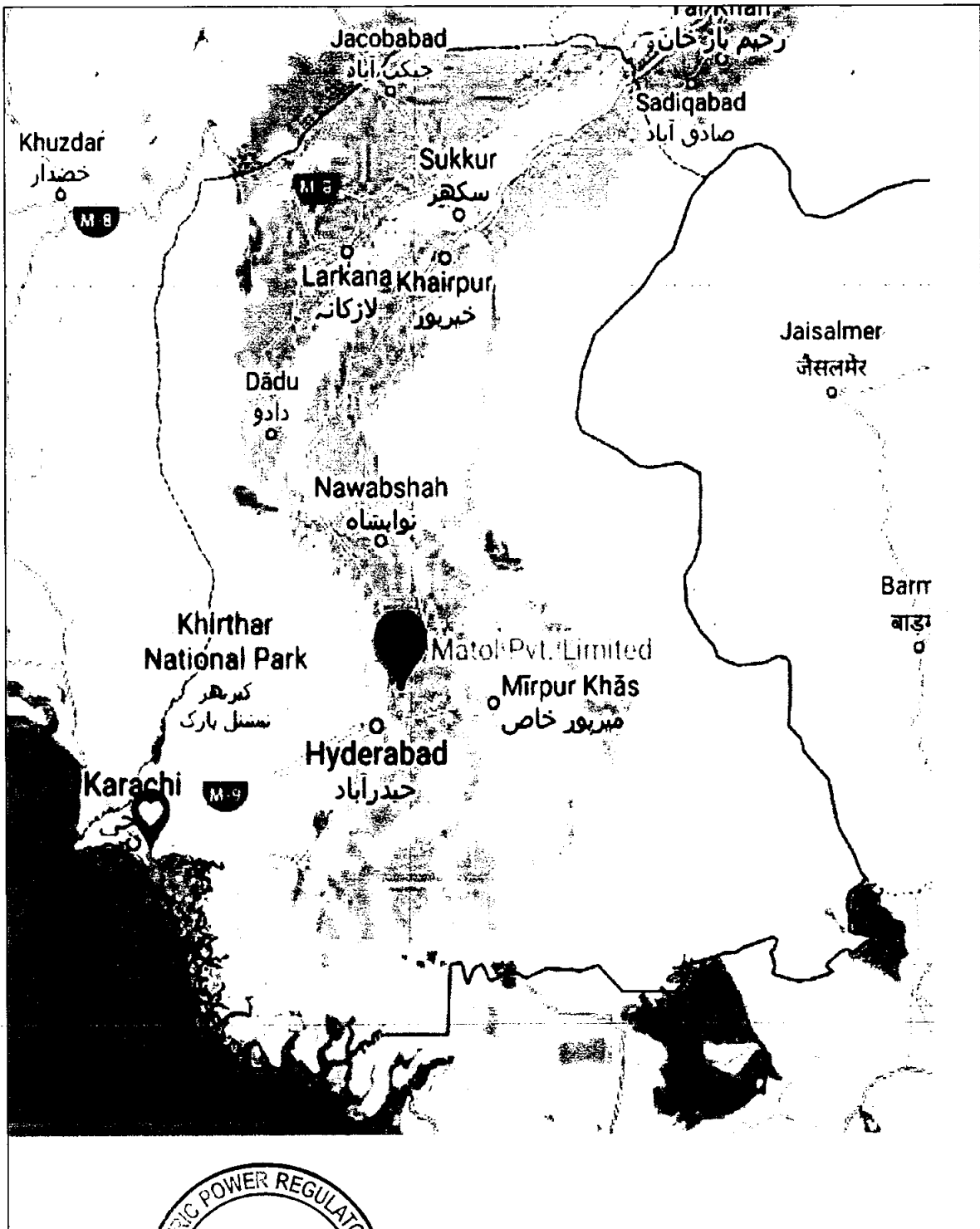


Generation Licence
Matol (Private) Limited
Deh Pannu, Nasar Pur Road
Taluka and District Matiari
in the Province of Sindh

**Location of the
Generation Facility/Co-Generation Facility/Thermal Power
Plant of the Licensee on Map of Pakistan**

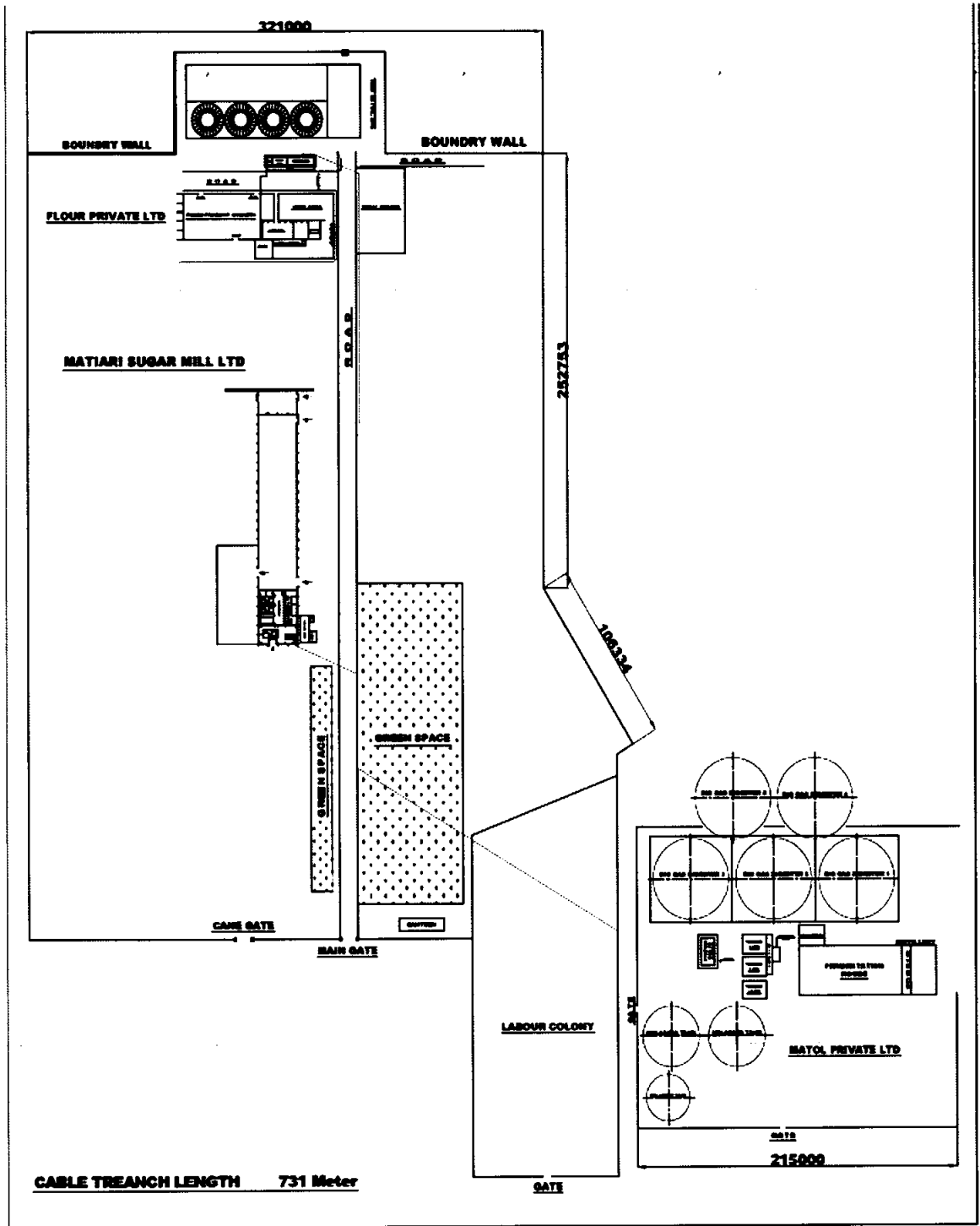


**Location of the
Generation Facility/Co-Generation Facility/Thermal Power
Plant of the Licensee on Map of Province of Sindh**

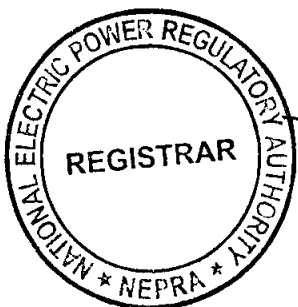


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Layout of the Generation Facility/Co-Generation Facility/Thermal Power Plant of the Licensee

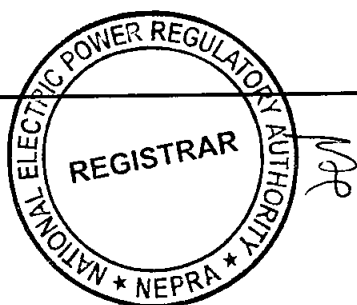
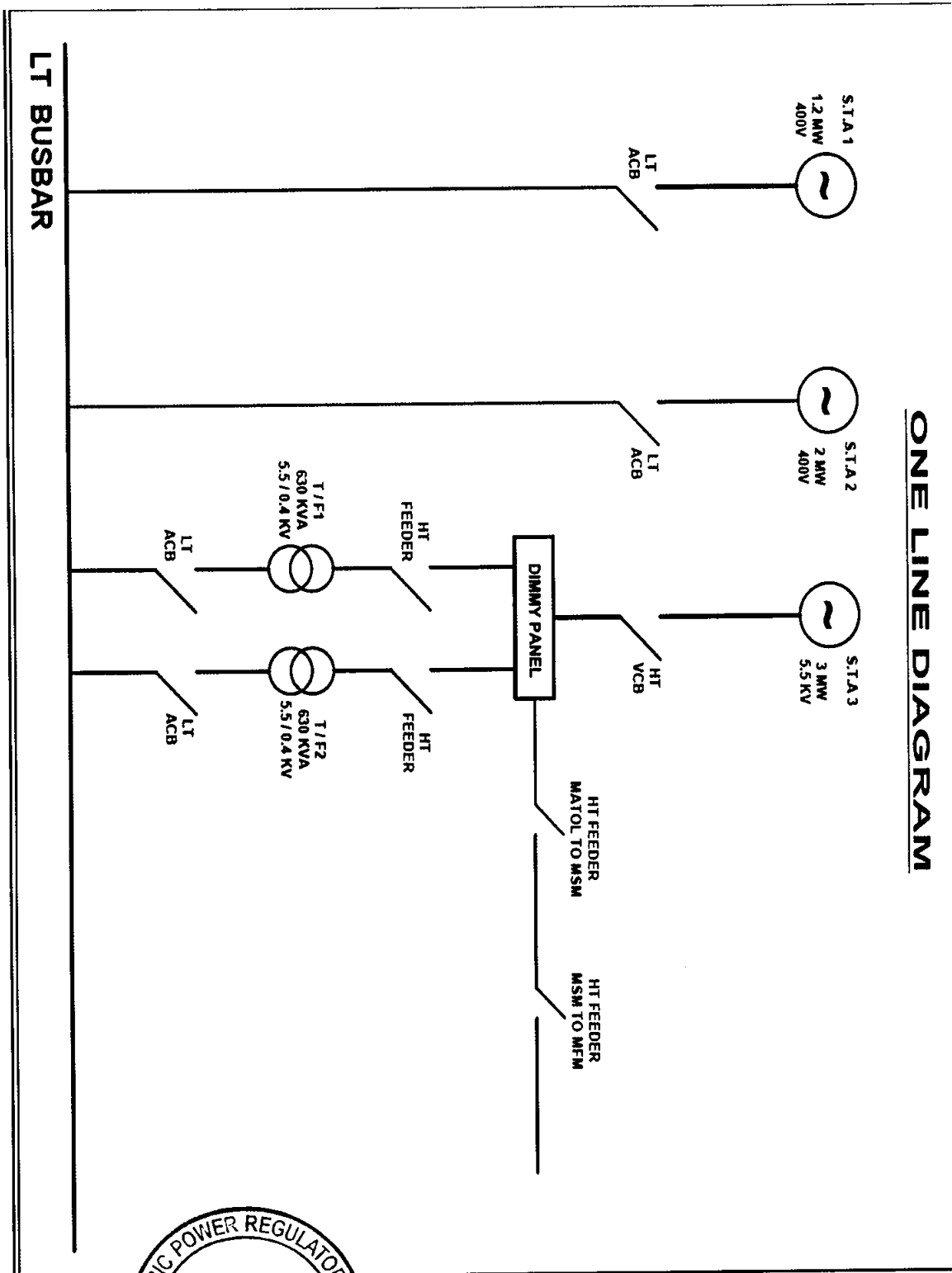


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Single line Diagram of the Generation Facility/Co-Generation Facility/Thermal Power Plant of the Licensee

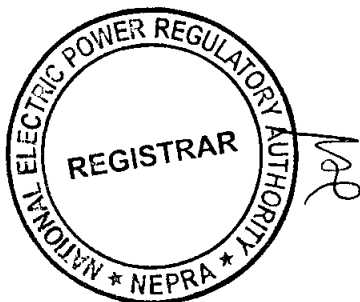
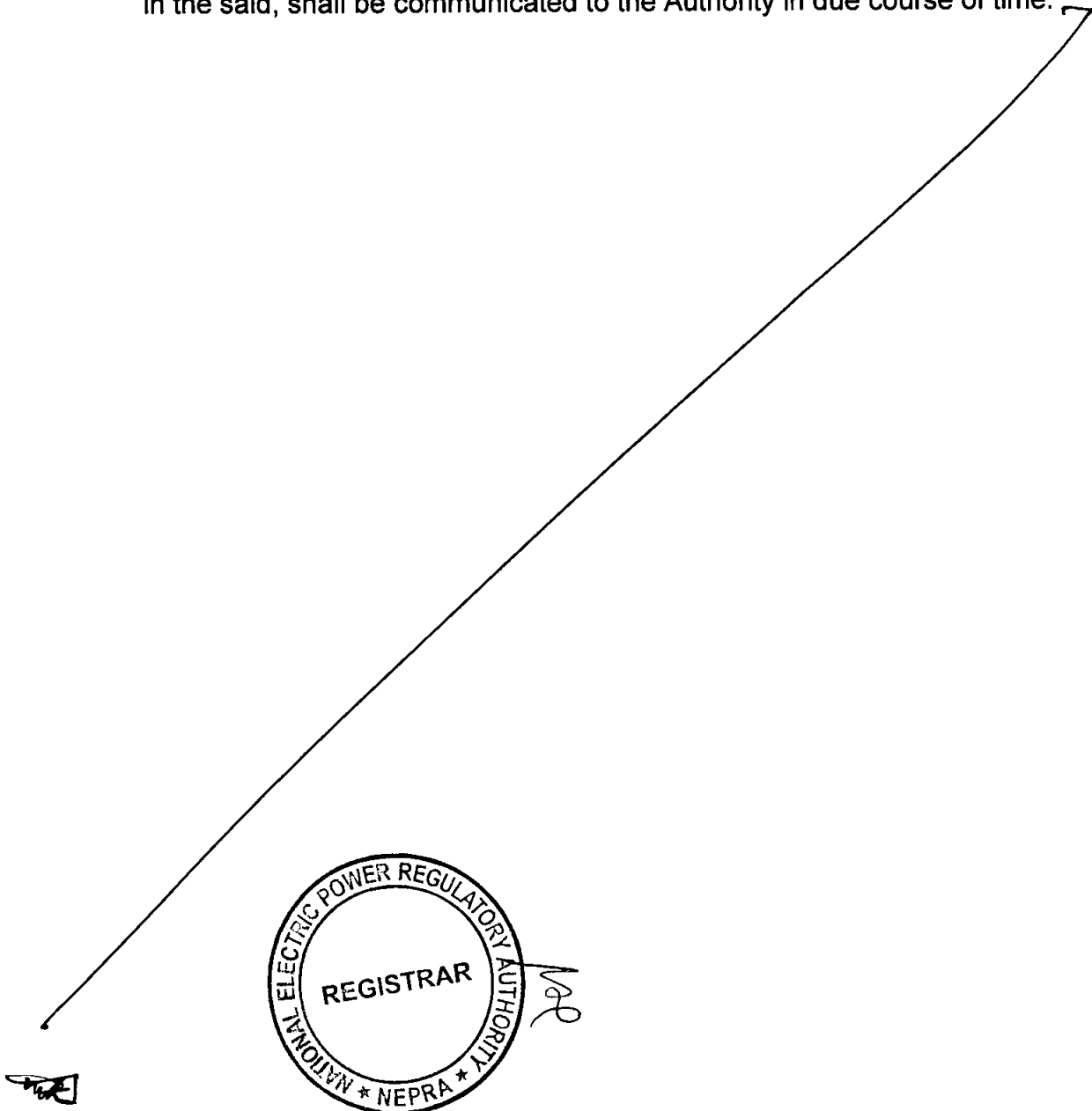


2

**Interconnection Arrangement/Transmission Facilities for
Dispersal of Electric Power from the Generation
Facility/Co-Generation Facility/Thermal Power Plant**

The electric power generated from the generation facility/Thermal Power Plant/Co-Generation Facility of Matol (Private) Limited-MTLPL/Licensee will be delivered/supplied to a Bulk Power Consumer BPC only.

(2). The details pertaining to the BPC, its supply arrangement and other relating information are provided in the subsequent description of this schedule. Any changes in the said, shall be communicated to the Authority in due course of time.



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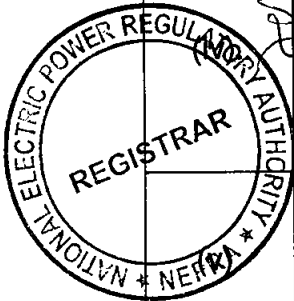
**Details of
Generation Facility/Co-Generation Facility/
Thermal Power Plant**

(A). General Information

(i).	Name of the Company/ Licensee	Matol (Private) Limited
(ii).	Registered Office/ Business Address of the Company/ Licensee	C-48, KDA, Scheme No. 1, Karsaz Road, Karachi
(iii).	Location of the Generation Facility	Deh Pannu, Nasar Pur Road, Taluka and District Matiari in the Province of Sindh

(B). Technology & Configuration

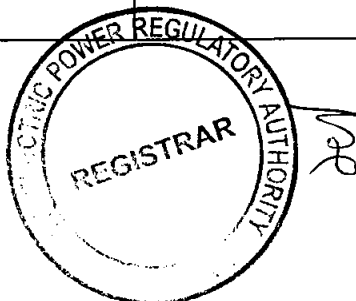
(i).	Type of Generation Facility	Thermal Power Plant		
(ii).	Type of Technology	Back Pressure Steam Turbine(s) + Boiler(s)		
(iii).	Number of Units/Size (MW)	Unit No. I	Unit No. II	Unit No. III
		1.20 MW	2.00 MW	3.00 MW
	Unit Make & Model	Unit No. I	Unit No. II	Unit No. III
		Jument Schneider	Lery Soomerfrance B 2613	Toyo Denki- Japan SGD2-A621- 5752
	Commissioning/ Commercial Operation date of Unit of the Generation Facility	Unit No. I	Unit No. II	Unit No. III
		2006	2013	2015
(vi).	Expected Useful Life of Unit of the Generation Facility from its Commercial Operation/ Commissioning Date	Unit No. I	Unit No. II	Unit No. III
		30 Years	30 Years	30 Years



(vii).	Expected Remaining useful Life of Unit of the Generation Facility (at the time of grant of Generation Licence)	Unit No. I	Unit No. II	Unit No. III
		15 Years	22 Years	24 Years

(C). Fuel Details

(i).	Primary Fuel	Bio Gas		
(ii).	Alternative/Secondary Fuel	Bio Mass		
(iii).	Start Up Fuel	Bio Gas		
(iv).	Fuel Source (Imported/Indigenous)	Primary Fuel	Alternative/Secondary Fuel	Start Up Fuel
		Indigenous	Indigenous	Indigenous
(v).	Fuel Supplier	Primary Fuel	Alternative/Secondary Fuel	Start Up Fuel
		Matol (Private) Limited-Itself	Matiari Sugar Mills Limited	Matol (Private) Limited-Itself
(vi).	Supply Arrangement	Primary Fuel	Alternative/Secondary Fuel	Start Up Fuel
		Pipeline	Local Loading Trucks/ Tractor & Trolleys etc.	Pipeline
(vii).	Storage Capacity	Primary Fuel	Alternative/Secondary Fuel	Start Up Fuel
		N/A	50000 Tons (Bulk Storage)	N/A
(viii).	Gross Storage Capacity	Primary Fuel	Alternative/Secondary Fuel	Start Up Fuel
		N/A	Same as Primary	N/A



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(D). Emission Values

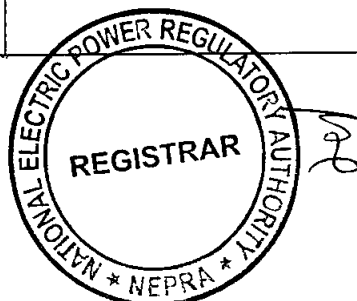
		Primary Fuel	Alternative/ Secondary Fuel	Start Up Fuel
(i).	SO _x	31.7 mg/Nm ³	31.7 mg/Nm ³	<31.7 mg/Nm ³
(ii).	NO _x	153 mg/Nm ³	153 mg/Nm ³	<153 mg/Nm ³
(iii).	CO	234 mg/Nm ³	234 mg/Nm ³	<234 mg/Nm ³
(iv)	PM ₁₀	288 mg/Nm ³	288 mg/Nm ³	<288 mg/Nm ³

(E). Cooling Water System

(i).	Cooling Water Source/Cycle	Deep well Turbine Pump/Tube wells/Underground Water/Cooling Tower
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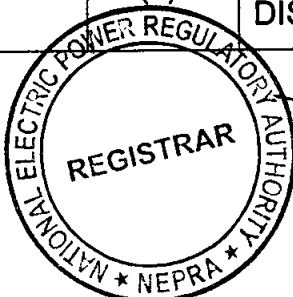
(F). Plant Characteristics

(i).	Generation Voltage	11KV	
(ii).	Frequency	50 Hz	
(iii).	Power Factor	0.85 lagging	
(iv).	Automatic Generation Control	Not Applicable	
(v).	Ramping Rate	Cold Start	3-hours on cold
		Warm Start	1-hour on Warm
		Hot Start	30-minutes on hot.
(vi).	Time required to Synchronize to Grid and loading the complex to full load.	Not applicable	



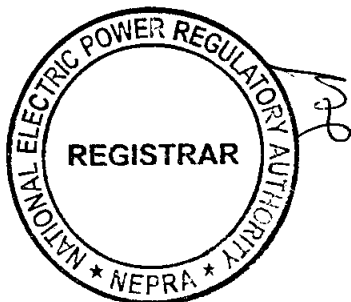
Information
Regarding Bulk Power Consumer/BPC to be Supplied by the
Company/Matol (Private) Limited/Licensee

(i).	No. of Consumers	02 (Two)	
(ii).	Location of consumers (distance and/or identity of premises)	Deh Pannu, Nasar Pur Road, Taluka and District Matiari in the Province of Sindh	
(iii).	Contracted Capacity and Load Factor for consumer	Matari Flour Mills (Pvt.) Limited- BPC-I	Matari Sugar Mills Limited- BPC-II
		1.00/80%	1.5 MW/50%
(iv).	Specify Whether		
	(a).	The consumer is an Associate undertaking of the Licensee -If yes, specify percentage ownership of equity;	Yes
	(b).	There are common directorships:	Yes
	(c).	Either can exercise influence or control over the other.	Yes
(v).	Specify nature of contractual Relationship		
	(a).	Between each consumer and the Licensee	Matol (Private) Limited (Licensee) owns and operates the generation facility and will provide electricity to supply to above mentioned BPC(s) for their use.
	(b).	Consumer and DISCO.	Yes connection from HESCO/DISCO exists



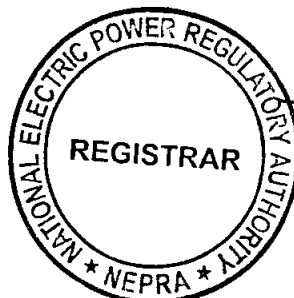
Information
Regarding Distribution Network for Supply of Electric Power to
Bulk Power Consumers

(i).	No. of Feeders	Two (02)
(ii).	Length of Each Feeder (Meter)	500-600 meter
(iii).	Length of Each Feeder to each Consumer	Same as above
(iv).	In respect of all the Feeders, describe the property (streets, farms, Agri land, etc.) through, under or over which they pass right up to the premises of customer, whether they cross-over.	The cable from the generation facility to BPC is located on private property owned by BPC.
(v).	Whether owned by Licensee, Consumer or DISCO-(deal with each Feeder Separately)	
	(a).	If owned by DISCO, particulars of contractual arrangement of
	(b).	Operation and maintenance responsibility for each feeder
(vi).	Whether connection with network of DISCO exists (whether active or not)- If yes, provide details of connection arrangements (both technical and contractual)	Yes connection from HESCO/DISCO
(vii).	Any other network information deemed relevant for disclosure to or consideration of the Authority.	N/A.



SCHEDULE-II

The Installed/ISO Capacity (MW), De-Rated Capacity At Mean Site Conditions (MW), Auxiliary Consumption (MW) and the Net Capacity At Mean Site Conditions (MW) of the Generation Facilities of Licensee is given in this Schedule

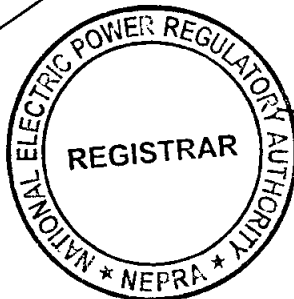


SCHEDULE-II

(1).	Total Gross Installed Capacity/Name Plate Rating of the Generation Facility/Power Plant (1 x 1.20 MW + 1 x 2.00 MW + 1 x 3.00 MW Steam Turbine)	06.20 MW
(2).	De-rated Capacity of Generation Facility/Power Plant at Reference Site Conditions	06.20 MW
(3).	Auxiliary Consumption of the Generation Facility/Power Plant	00.15 MW
(4).	Total Net Capacity of Generation Facility/Power Plant at Reference Site Conditions	06.05 MW

Note

All the above figures are indicative only and the capacity available to Power Purchaser(s)/BPC(s) will be determined through procedure(s) contained in the Power Purchase Agreement (PPA) or any other Applicable Document(s).



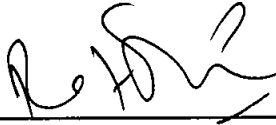
Authorization
by National Electric Power Regulatory Authority (NEPRA) to
Matol (Private) Limited

Incorporated under Section-32 of
the Companies Ordinance, 1984 (XLVII of 1984) having Registration No.
K-09675 of 2003-2004 dated November 24, 2003

NEPRA GENERATION LICENCE No. SGC/156/2021
For Sale to Bulk Power Consumer(s)

Pursuant to Section-22 of the Act and Rule-7 of the NEPRA Licensing
(Generation) Rules-2000, the Authority hereby authorize Matol (Private) Limited-
MTLPL (the Licensee) to engage in second-tier supply business, limited to the
following consumer:-

1. Matiari Sugar Mills Limited; and
2. Matiari Flour Mills (Pvt.) Limited.



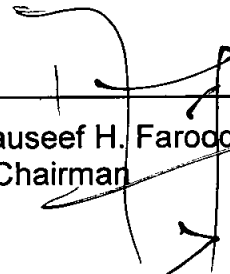
Engr. Rafique Ahmed Shaikh
(Member)



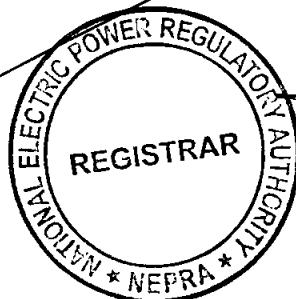
Engr. Rehmatullah Baloch
(Member)



Saif Ullah Chattha
(Member)/Vice Chairman



Engr. Tauseef H. Farooqi
Chairman



Handwritten signature and date: 22/06/21