

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION**

**BHOPAL**

**Sub: Application for grant of power distribution licence under Section 14 and Section 15 of the Electricity Act, 2003 and as per the MPERC {Procedure, Terms and conditions for Grant of Distribution Licence and other matters of Distribution Licensee (Including Deemed Licensee)} Regulations, 2025 (Revision-I)(RG-12(I) of 2025).**

**ORDER**

**(Date of Order: 08.06.2026)**

**PM Mitra Park Madhya Pradesh Ltd.,**  
21 ARERA HILLS,  
Bhopal (MP) – 462011

**-Petitioner**

**Managing Director,**  
MP Paschim Kshetra Vidyut Vitaran Co. Ltd.,  
GPH Compound, Polo Ground,  
Indore (MP) – 452003

**Managing Director,**  
MP Power Transmission Co. Ltd.,  
Block No. 2, Shakti Bhawan,  
Vidyut Nagar, Rampur, Jabalpur-482008

**Managing Director,**  
MP Power Management Co. Ltd.,  
Shakti Bhawan, Vidyut Nagar,  
Rampur, Jabalpur – 482008

**Addl. Chief Secretary,**  
GoMP, Energy Department,  
VB-2, Vallabh Bhawan,  
Mantrallay, Bhopal

**- Respondent(s)**

Shri Ashish Anand Bernard, Advocate and Shri Sheersh Agrawal, Advocate appeared on behalf of the Petitioner.

Shri Ajay Rathore, EE appeared on behalf of Respondent No. 1.

Shri Abhinav Anand, AE appeared on behalf of Respondent No. 2.

Shri Lokesh Malviya, GM appeared on behalf of Respondent No. 3.

Shri Vishwat Chouhan, AE appeared on behalf of Respondent No. 4

Shri Sourabh Mishra, Advocate appeared on behalf of Respondents No. 1 & 3.

The subject petition was filed by PM Mitra Park Madhya Pradesh Ltd. seeking grant of Licence for distribution of electricity within the Industrial Area at Bhensola, Dist. Dhar, MP under the provisions of Sections 14 and 15 of the Electricity Act, 2003 and MPERC {Procedure, Terms and conditions for Grant of Distribution Licence and other matters of

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Distribution Licensee (Including Deemed Licensee)} Regulations, 2025 (Revision-I)(RG-12(I) of 2025).

2. By affidavit dated 11 December' 2025, the Petitioner broadly submitted the following in its petition:
  - I. That the Petitioner is a Limited Company and is owned and controlled by the Government of Madhya Pradesh with equity 51% and Government of India with equity 49%. The Petitioner will develop PM MITRA Park at Bhensola in Dhar district with an intent to promote, encourage and assist the establishment, growth and development of integrated large scale and modern industrial infrastructure facility for the entire value-chain of the textile sector with plug and play facilities to help to create global champions in the textiles sector.
  - II. The Petitioner proposes to make necessary investments in infrastructure such as distribution lines, substations, metering, customer services etc.
  - III. The Petitioner has arranged for the required financial resources. Outlines of financial capability: share capital, net worth, funding sources, projected revenue, cost of operations etc.
  - IV. That, the State of Madhya Pradesh has taken various policy decisions to promote investment in the state, which includes a dedicated industrial area with smart and advanced infrastructure to cope-up with the competitive world. It has been a long-awaited demand of the proposed investors interested to invest in the State that they may be provided with subsidized electricity tariff in the investment zones to be more competitive.
  - V. Hence to promote the investors to consider investments on green field projects, area of the state, the GoMP took a cabinet decision on 29/09/2023 wherein the area of Bhensola was notified as minimum area of supply for grant of Distribution Licence from this Commission.
  - VI. That GoMP has authorized the Petitioner to provide all the necessary services as may be required for within the Notified Area including supply of electricity.
  - VII. The Petitioner shall procure power from the cheapest sources available in the market, subject to regulatory norms and applicable guidelines, and for the purpose of calculating the power purchase cost, the Petitioner has currently anticipated using the APPC rate of Madhya Pradesh State.
  - VIII. That the Petitioner also intends to manage the peak load requirements and unanticipated load requirements, through short term contracts, either by competitive bidding or power exchanges.
  - IX. That following information is enclosed herewith:
    - a) Geographical Area within which Applicant proposes to undertake Distribution of Electricity

- b) Certificate of registration/incorporation
- c) Memorandum of Association and Articles of Association
- d) Details of Income tax Registration
- e) Details of Financial Data of Applicant
- f) Competence of the Applicant
- g) Approach & Methodology:
- h) Data relating to the applicant's future business
  - i. Five-year Business Plan for Distribution of electricity for which the application is being made and funding arrangements for meeting its obligations under proposed Licence for maintenance, operation, improvement and expansion for future load growth.
  - ii. Five-year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided.

**X. Jurisdiction:**

The Commission has the jurisdiction to adjudicate the matter Under Section 14 (b) and Section 15 read with Section 181 (2) (a, b, c, d) of the Electricity Act 2003 and Under section 15 of The Madhya Pradesh Vidhut Sudhar Adhiniyam, 2000.

**XI. Grounds in support of the case:**

That in light of the above facts and circumstances in the interest of the overall economic growth of the State of Madhya Pradesh and so as to comply with the industrial policy of the State to promote investment in the State, this Commission may graciously be pleased to grant the distribution licence for supply of electricity within the notified area of 'Industrial Area at Bhensola, Dist. Dhar, MP' on the following grounds: -

- a. Because, as per the definitions given under Section 2(3) of the Electricity Act 2003 'area of supply' means the area within which a distribution licensee is authorized by its licence to supply electricity.

Ministry of Power (MoP), Government of India through Distribution of Electricity Licence (Amendment) Rules, 2022, notified on 8<sup>th</sup> September 2022, stipulated the minimum area of supply as follows:

*"For grant of a licence for distribution of electricity within the same area in terms of sixth proviso to section 14 of the Act, the area falling within either a Municipal Corporation as defined in article 243Q of the Constitution or three adjoining revenue districts, or a smaller area as may be notified by the Appropriate Government shall be the minimum area of supply."*

The Industrial Area at Bhensola, Dist. Dhar qualifies the above criteria of area of supply.

- b. Because, GoMP has authorized Petitioner vide order no. IPI/2/002/2022/A-11 dated 29/09/2023 to provide all the necessary services as may be required for within the notified area including supply of electricity.

- c. Because, the Petitioner has been notified as the Developer of the Industrial Area Bhensola, Dist. Dhar by GoMP. Further, the Industrial Area Bhensola, Dist. Dhar has been notified by GoMP as the “minimum area of supply” for grant of distribution licence.
  - d. Because, the Petitioner qualifies the norm of 30% equity on cost of investment as determined under sub-rule (1) of Rule 3 of the Distribution of Electricity Licence (Additional Requirement of Capital adequacy, creditworthiness and code of conduct) rules 2005.
  - e. Because, the Petitioner possess technical competence and skilled workforce for managing the distribution business. Further, the Petitioner also intends to seek support of consultants, having proven expertise, for bringing efficiencies for managing the various operations of the power distribution business. Reference may be taken from the case of Pithampur SEZ, MPIDC Mohasa-Babai, Narmadapuram where promoter of the Petitioner i.e. MPIDC is already managing the various operations of power distribution business.
  - f. Because, the instant application for distribution licence is made for the PM MITRA Park, being developed by the applicant at the Bhensola area of Dhar District. Hence the benefit of the same would be for the new consumers who establish their industries in the area. Therefore, the instant distribution licence if granted to PM Mitra Park Madhya Pradesh Limited will not have any effect on the revenue of the existing distribution companies. On getting the distribution licence, the PM Mitra Park Madhya Pradesh Limited shall have the opportunity to procure power directly from generating sources without paying additional cost of subsidy charges for its area. This will lead to supply of low priced power to its consumer in the Bhensola area. These will in-turn lower the production cost of the manufacturing units in the area, leading to a globally competitive manufacturing costs.
  - g. Because, the Petitioner is a company promoted and owned by GoMP with the objective of improving industrialization and economic development in the state of Madhya Pradesh.
3. With the aforesaid submissions, the petitioner prayed the Commission for issuing the specific conditions of a distribution licence to it for a period of 25 years for its PM MITRA park at Bhensola, dist. Dhar so that the consumers are benefitted with lower electricity prices and are able to produce goods and deliver services at globally competitive rates.
  4. At the motion hearing held on 21.01.2026, Ld. Counsel for Petitioner explained the genesis of the case and prayed to admit the petition. The Petition was admitted and the Petitioner was directed to implead Energy Department, Government of MP also as a Respondent. The Petitioner was further directed to serve a copy of the petition to the respondents through email as well as in hard copy within seven days and report compliance of service to the Commission. The Respondents were directed to file their response on the petition within the next 15 days, with a copy of the aforesaid response served to the petitioner, simultaneously. The petitioner was at liberty to file

- rejoinder within 15 days, thereafter. It was mentioned in the daily order that the data gaps and requirement of additional information/ documents shall be communicated to the Petitioner separately. The case was fixed for hearing on 10.03.2026.
5. By Affidavit dt. 16<sup>th</sup> February' 2026, Petitioner i.e. PM Mitra Park Madhya Pradesh Ltd., filed an Interlocutory Application seeking permission of Commission to implead Energy Department, Government of MP as a Respondent in the subject petition. This application was allowed by the Commission.
  6. By Affidavit dt. 03<sup>rd</sup> February' 2026, Respondent No. 2 i.e. MP Power Transmission Co. Ltd., submitted that they do not have any objections on the subject petition.
  7. At the hearing held on 10.03.2026, Ld. Counsel for the Petitioner informed that they had not received replies from any of the Respondents. The Commission directed the Respondents to file replies within two weeks. The Commission also directed the Secretary of the Commission to publish public notice on the petition for stakeholders' comments as required under Electricity Act, 2003 and relevant Regulations. The Commission allowed the IA No. 07 of 2026 filed by Petitioner for impleading Energy Department, Govt. of MP as a party in compliance of daily order dated 21.01.2026 of the Commission and the aforesaid IA No. 07 of 2026 was disposed of. The petition was listed for hearing on 28.04.2026.
  8. By Affidavit dt. 06<sup>th</sup> April' 2026, Respondents No. 1 & 3 i.e. MP Paschim Kshetra Vidyut Vitaran Co. Ltd., and MP Power Management Co. Ltd., submitted following in their replies:
    - i. The present Petition has been filed by PM Mitra Park Madhya Pradesh Limited (hereinafter referred to as the "Petitioner" for the sake of brevity) under Sections 14 and 15 of the Electricity Act, 2003 read with the Madhya Pradesh Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee, including Deemed Licensee) Regulations, 2025 (Revision-I), seeking grant of a distribution licence for supply of electricity within the notified area of Bhensola, District Dhar. The Petitioner, a Special Purpose Vehicle jointly promoted by the Government of India and Government of Madhya Pradesh, has proposed to develop an integrated industrial infrastructure facility under the PM MITRA Scheme and intends to undertake distribution of electricity within the said area through establishment of requisite infrastructure including distribution network, substations and allied systems. The Petition further relies upon the notification issued by the Government of Madhya Pradesh declaring the said area as the minimum area of supply and authorizing the Petitioner to provide necessary services including electricity supply.
    - ii. At the outset, Respondent No. 1 and Respondent No. 3, namely Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited and Madhya Pradesh Power Management Company Limited (hereinafter collectively referred to as the "Answering Respondents"), categorically deny each and every averment, submission and contention made by the Petitioner, save and except those specifically admitted hereinafter. Nothing contained in the Petition shall be deemed to have been admitted merely by reason of non-traverse. All submissions herein are made without prejudice

to one another and may be read in the alternative. The Answering Respondents further crave leave of this Commission to amend, modify, supplement or withdraw any part of the present reply, if so required in the interest of justice.

- iii. It is most respectfully submitted that the present reply is confined to addressing the material issues arising from the Petition and therefore, the Answering Respondents are not furnishing a paragraph-wise reply. The objections raised herein are based on the averments contained in the Petition, read with the supporting documents including the proposed business plan, power procurement strategy and regulatory framework operational, financial and regulatory considerations relevant to the power governing grant of distribution licence and are further substantiated by sector in the State of Madhya Pradesh.

**a. IMPACT ON INCUMBENT LICENSEE**

- i. The Petitioner in its Petition has contended that the benefit of PM MITRA Park would be exclusively for the new consumers who establish their industries in the area and that, therefore, the grant of a distribution licence to PM MITRA Park would not have any effect on the revenue of the existing distribution licensee.
- ii. In this regard, it is submitted that the proposal to grant a distinct distribution licence to PM MITRA Park entails significant financial repercussions for MPPMCL and MP Discom. The geographic area for which the distribution licence has been sought will predominantly accommodate potential industrial consumers mainly textile and allied industries who would, in the absence of a separate licensee at PM MITRA Park, conventionally set up their industries in the supply area of MP Discom and would thus constitute a vital and high-paying consumer base of the incumbent licensee. Consequently, the grant of a separate distribution licence will result in loss of such consumers and hence an appreciable loss of revenue to the incumbent licensee, leading to negative ramifications on its financial health. This will also result in an adverse impact on the State Government and the vulnerable class of consumers.
- iii. Further, such a proposal compromises the integrity and utility of the Resource Adequacy Plan (RAP) formulated and being implemented by MPPMCL. The RAP, including long-term contracted capacity and anticipated demand forecasts, was established on the premise of comprehensive and inclusive demand aggregation across the State and keeping in view the universal service obligation (USO) of MP Discom. Divestment of this industrial consumer segment to a distinct licensee would impact the Resource Adequacy Plan while also putting existing contracted capacity at risk. The proposal to grant a separate licence covering a smaller area exclusively populated by high-paying industrial consumers defeats the universal service obligation principle inherent in the Electricity Act, 2003.
- iv. It is noteworthy that Madhya Pradesh's industrial sales volume, as a proportion of total electricity sales, is demonstrably lower relative to several

peer States, as evidenced by the comparative data extracted from the CEA's report, reproduced below for reference: -

Category	Chhattisgarh	Gujarat	Madhya Pradesh	Maharashtra
Domestic	20.19%	14.11%	25.11%	20.88%
Non-Industrial Commercial	6.06%	5.94%	6.74%	9.35%
Industrial (LV & MV)	2.23%	11.64%	2.10%	8.44%
Industrial (HV)	37.80%	48.18%	19.37%	29.07%
Public Lighting	0.40%	0.16%	0.63%	0.70%
Traction	8.16%	0.95%	3.97%	2.24%
Agricultural	22.51%	16.64%	38.38%	24.46%
Public Water Works	2.65%	2.00%	3.21%	2.01%
Miscellaneous	0.00%	0.38%	0.51%	2.86%
<b>Total Energy Sold</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

- v. The diminution in the share of industrial sales is not a mere statistical concern: it results in a detrimental impact on the cross-subsidy matrix that currently underpins the distribution tariff structure. Industrial consumers, by virtue of their premium tariffs and consumption profiles, subsidize socially and economically vulnerable consumer segments notably the Domestic and Agricultural categories. A contraction in industrial sales will unavoidably create a revenue gap for the incumbent licensee which may, in turn, necessitate an increase in tariffs for these vulnerable consumer categories a prospect that is neither socially desirable nor economically sustainable.
- vi. Notably, 72% of consumers in Madhya Pradesh belong to the Domestic category, with 76% of them consuming less than 150 units per month. The State Government subsidizes these consumers, implying that any tariff hikes in this category would impose additional financial burden on both the vulnerable consumers and the State Government.
- vii. Moreover, a well-balanced consumer mix with a substantive industrial presence enhances the overall operational efficiency of Discoms through an improved High Tension to Low Tension (HT:LT) ratio, which is instrumental in reducing technical and commercial losses (AT&C Losses). Divestment of the industrial consumer base, consequent to grant of a separate licence, is likely to erode these efficiencies, further compromising the financial performance of Discoms.
- viii. In addition, the proposition creates an uneven competitive landscape

wherein industrial consumers located within the PM MITRA Park may avail preferential benefits and tariff regimes unavailable to industries established outside the park. Such differentiation undermines the principles of fairness and equitable access to infrastructure and power supply, potentially distorting the investment sentiments of other industrial consumers in the State.

- ix. In light of the foregoing considerations and wider public interest, this Commission is respectfully urged to undertake a comprehensive and rigorous evaluation of the implications of granting a separate distribution licence to PM MITRA Park. Such evaluation must duly consider the financial viability and sustainability of the incumbent distribution licensee, the integrity of the State's integrated resource planning framework, the socio-economic impact on vulnerable consumer segments and the broader policy ramifications for equitable industrial development within Madhya Pradesh.

**b. REQUIREMENTS CREDITWORTHINESS OF CAPITAL ADEQUACY AND CREDITWORTHINESS**

- i. MPPMCL/MP Discom submits that in line with the provisions of Section 14 of the Electricity Act, 2003, a Petitioner seeking grant of a distribution licence has to duly satisfy the additional conditions, namely Capital Adequacy, Creditworthiness and Code of Conduct as may be prescribed by the Central Government. Only on being satisfied with these additional requirements can the Commission proceed to consider the merits of the matter before granting the second licence.
- ii. Pursuant to the powers vested under Section 176 of the Electricity Act 2003, the Central Government notified "The Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005". Rule 3(1) and 3(2) of the said Rules are as under: -

***"3. Requirements of Capital Adequacy and Creditworthiness:***

*(1) The Appropriate Commission shall, upon receipt of an application for grant of licence for distribution of electricity under sub-section (1) of section 15 of the Electricity Act, 2003, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view the size of the area of supply and the service obligation within that area in terms of section 43.*

*(2) The Applicant for grant of licence shall be required to satisfy the Appropriate Commission that on a norm of 30% equity on cost of investment as determined under sub-rule (1), he including the promoters, in case the applicant is a company, would be in a position to make available resources for such equity of the project on the basis of net worth and generation of internal resources of his business including of promoters in the preceding three years after excluding his other committed investments."*

- iii. Rule 3 clearly mandates that the Appropriate Commission, upon receipt of a

licence application, shall determine the capital investment requirements factoring in the area of supply and service obligations. Crucially, the applicant must demonstrate the ability to mobilize at least 30% equity of the project cost from net worth and internal resource generation during the preceding three years, excluding other committed investments. This statutory position has been reaffirmed in Regulation 4.2 of the MPERC Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee) Regulations, 2025 (Revision-I), which similarly conditions capital adequacy and creditworthiness assessments on proven financial performance over the prior three years. The relevant extract is reproduced below: -

**"4. Eligibility for Grant of Licence:**

**4.2 Requirements of capital adequacy and creditworthiness:**

*i. The Commission shall, upon receipt of an application for grant of Licence for distribution of electricity under Section 15(1) of the Act, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view the size of the area of supply and the supply obligation within that area in terms of Section 43 of the Act.*

*ii. The applicant for grant of Licence shall be required to satisfy the Commission that on a norm of 30% equity on cost of investment as determined under Regulation 4.2(i) above, he would be in a position to make available resources for such equity of the project on the basis of net worth and generation of internal resources of his business in the preceding three years after excluding his other committed investments."*

- iv. From the foregoing, it is manifest that the regulatory framework deliberately requires objective evaluation of Capital Adequacy and Creditworthiness anchored on demonstrable past financial performance, to ensure that only capable entities are licenced, thereby protecting consumer interests and the stability of the power market.
- v. The Petitioner, being a Special Purpose Vehicle jointly owned by the Central and State Governments, lacks any historical financial performance due to its recent incorporation. As such, it cannot satisfy the prescribed financial track record requirement. Although the Petitioner contends that the projected capital expenditure for establishment of the distribution network is approximately ₹340.12 Crore and that the same is funded partly by Central Government grant-in-aid and partly through levy of Development Charges from allotted manufacturers/units, reliance on such external support cannot substitute the mandatory statutory requirement of demonstrable financial capability. The Petitioner has referred to the "Ist Revised Guidelines for Release of Grants under PM MITRA Scheme" dated 28<sup>th</sup> August 2025, which provides for Development Capital Support (DCS) at 30% of the total project cost with a maximum support of Rs. 500 Crore. However, the availability of grant support is not the same as demonstrated creditworthiness or equity-generation capacity in terms of the Rules.

- vi. In this regard, it is respectfully brought to the kind attention of this Commission that the Hon'ble APTEL, in its judgement in Appeal No. 7 of 2010, has ruled as follows: -

*"(C) The first Respondent relied upon a letter dated 22.4.2009 addressed to the State Commission sent by the Secretary of the Department of Energy, State Government to show the State Government has given a guarantee assuring for the capital cost for the project. The contents of the said letter cannot be considered to be a 'sovereign guarantee' especially the said letter would not amount to satisfy the mandatory pre-conditions. **Just because the first Respondent as well as the Promoter is a Government Company, no exception can be carved out since neither the Electricity Act, nor the Regulation framed by the State Commission make any such exception for the Companies owned by the State Government. The satisfaction of the capital adequacy and creditworthiness have to be established through past performance in the business of the Applicant and its promoter in the preceding three years and not by any external assurance or guarantee etc. This has not been done in this case.**"*

- vii. While the Petitioner's government backing may provide prima facie assurance of intent, strict compliance with eligibility criteria in line with the ruling of the Hon'ble APTEL in Appeal No. 7 of 2010 needs to be independently established. This Commission is accordingly requested to take an appropriate stand consistent with the APTEL's ruling and ensure that the Petitioner meets the statutory conditions before any further consideration of the present Petition.

### **c. POWER PURCHASE PLANNING**

- i. The Petitioner, under its power planning section, has mentioned that it shall procure power from the cheapest source available in the market. It has further stated that it intends to procure power for meeting its projected base load requirement through long and medium-term arrangements with MPPCL. Accordingly, the Petitioner has considered the APPC rate of Madhya Pradesh State at state periphery as per the Retail Supply Order for FY 2025-26 as Rs. 4.09/kWh and has computed the power purchase cost in its Petition on that basis.
- ii. In this context, MPPMCL hereby clarifies that it has not undertaken any such agreement or tie-up to supply power to the Petitioner at the aforesaid primarily dedicated to meeting the demand of its own consumer base and pursuant to its statutory obligations under the Electricity Act, 2003 particularly with respect to Universal Service Obligation (USO) MPPMCL is mandated to APPC rate. MPPMCL's contracted generating resources are prioritize supply to its connected consumer base.
- iii. Nevertheless, subject to the availability of surplus power over and above the requirements of its own consumer base in any given time block, MPPMCL

may consider supplying power to the Petitioner, contingent upon the existence of a viable business case. The price for such power supply shall be determined on the basis of the full cost of power scheduling, encompassing both fixed and variable charges associated with the last Merit Order Dispatch (MOD) stations utilized to meet the Petitioner's demand. Further, the Petitioner shall be liable for all applicable transmission and distribution losses commensurate with the source of power scheduled in fulfilment of its demand.

- iv. MPPMCL also notes that the Petitioner intends to procure power from the power exchange or through competitive bidding processes in the event of any shortfall or supply failure from the approved sources. It is pertinent to highlight that power purchase cost constitutes the single largest component of the Aggregate Revenue Requirement (ARR) of the licensee. In the absence of unequivocal clarity and firm contractual backing concerning long-term power procurement arrangements, there exists a substantive risk to the tariff stability and financial security of consumers served by PM MITRA Park. Such tariff uncertainty directly undermines the regulatory and commercial predictability essential for sound utility operation and consumer protection.
- v. Furthermore, MPPMCL observes with concern that the Petitioner has failed to acknowledge or incorporate compliance with the recent and critical policy shift introduced by the Ministry of Power (MoP), Government of India, vide notification dated 27.09.2025. This notification decisively transitions the renewable energy compliance mechanism from the erstwhile Renewable Purchase Obligation (RPO) framework, predicated on gross generation, to a **Renewable Consumption Obligation (RCO) paradigm** anchored on actual consumption metrics. This transformative policy shift is echoed in the **Fifth Amendment to the Madhya Pradesh Electricity Regulatory Commission (Cogeneration and Generation of Electricity from Renewable Sources of Energy (Revision-II)) Regulations, 2021**, which explicitly delineates RCO targets for categories including Wind, Hydro, Distributed Renewable Energy and Other Renewable Energy.
- vi. The Petitioner has taken reliance on the erstwhile RPO mechanism which is no longer operative. The Petitioner has not considered any concrete plan to meet the RCO targets; it has merely mentioned the setting up of a solar power plant in the park to meet the renewable energy requirement, or purchase from a licensee, or by way of purchasing RECs, or a combination of the above. This Commission may therefore prudently require the Petitioner to furnish a detailed, actionable and time-bound plan demonstrating compliance with the RCO targets, incorporating quantifiable procurement strategies and measurable timelines.
- vii. Additionally, regarding the financial implications of RCO compliance, the Petitioner's submissions at **paragraph 5.2 of its Business Plan** state that *"the cost incurred for meeting the RPO is already factored into the power procurement cost for PM Mitra Park in Dhar:"* However, a contradictory assertion is made at **paragraph 6.1.1**, wherein it is stated that *"since the cost*

*to meet RPO is already included in the weighted average price of power procurement cost of MP State, a separate cost for RPO compliance is not considered." This conflation reflects a fundamental misunderstanding of the cost components involved.*

- viii. It is hereby clarified that the APPC cost charged by MPPMCL encompasses the RPO/RCO compliance costs borne by MPPMCL and the associated MP Distribution Companies exclusively for their own supply portfolios. Such costs do not extend to the Petitioner's independent RCO obligations. The Petitioner's RCO target requires additional renewable energy procurement beyond the APPC cost base, the incremental cost of which must be separately identified and duly accounted for in the power procurement cost estimates. Accordingly, the Petitioner must undertake a rigorous assessment of the incremental costs pertaining to its RCO compliance obligation and incorporate the same within its proposed tariff framework and ARR calculations.
- ix. In light of the above, it is submitted that the Petition filed by PM MITRA Park is premature, legally infirm and liable to be dismissed on this ground alone.

**d. ORGANISATIONAL AND MANAGERIAL CAPABILITY OF THE APPLICANT**

- i. It is respectfully submitted that pursuant to **Regulation 5.1 of the MPERC Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee) Regulations, 2025, Revision-I {RG-12(I) of 2025}**, the Applicant is mandated to provide conclusive evidence demonstrating its Organizational and Managerial Capability as a precondition for grant of a distribution licence. Such evidence is to be furnished, inter alia, in the form of a detailed proposed organizational structure, curriculum vitae of key executives and particulars regarding office and communication infrastructure to ensure the adequacy of institutional arrangements and the readiness to discharge licenced functions effectively and reliably.
- ii. In this regard, the Petitioner in its Petition has indicated only a tentative intention to manage operation and maintenance activities through engagement of a specialized agency or consultant possessing "proven credentials," and has further suggested that the constitution of a dedicated core team for distribution operations will be finalized at a future date. Such provisional assurances, devoid of concrete institutional commitments or demonstrable existing capabilities, are fundamentally inadequate and do not fulfil the stringent regulatory requirements.
- iii. MPPMCL/MP Discom submits that the grant of a distribution licence is not a mere administrative formality but predicates upon a robust and objective assessment of the applicant's technical, financial and managerial competence. The prospective licensee must demonstrate that it possesses the necessary organizational machinery, skilled manpower and operational readiness to meet its statutory obligations and maintain service quality

standards. The grant of licences for essential public services cannot be founded on speculative or contingent undertakings that rely on future promises; rather, they must hinge upon proven present capabilities and demonstrate institutional readiness.

- iv. Granting a distribution licence in the absence of concrete organizational preparedness would entail unacceptable risks to the reliability, security and quality of electricity supply to consumers within the park. This would fundamentally undermine the regulatory mandate to protect consumer interests and ensure the efficient, safe and lawful distribution of electricity, as envisaged under the Electricity Act, 2003.
  - v. In view of the above, the Petition is not maintainable and is liable to be dismissed. The Respondents prayed as under:-
    - a. Dismiss the Petition No. 147 of 2025 filed by PM Mitra Park Madhya Pradesh Limited for grant of a separate distribution licence, as the same is not maintainable and is liable to be rejected;
    - b. In the alternative, direct the Petitioner to strictly establish and demonstrate, to the satisfaction of this Commission, full compliance with the statutory conditions of Capital Adequacy and Creditworthiness in terms of Rule 3(2) of the Distribution of Electricity Licence Rules, 2005 and Regulation 4.2(ii) of the MPERC Regulations, 2025 (Revision-I), before any further consideration of the application on merits;
    - c. Direct the Petitioner to furnish a detailed, actionable and time-bound plan for compliance with the Renewable Consumption Obligation framework in terms of the MoP Notification dated 27th September 2025 and the Fifth Amendment to the MPERC Renewable Energy Regulations;
    - d. Direct the Petitioner to submit a concrete Organisational and Managerial Capability Plan, complete with organisational structure, key personnel details and operational readiness documentation, as required under Regulation 5.1 of the MPERC Regulations, 2025 (Revision-1); and
    - e. Pass such other and further orders as this Commission may deem fit and proper in the facts and circumstances of the case and in the interest of justice.
9. By Affidavit dt. 23<sup>rd</sup> April' 2026, Respondent No. 4 i.e. GoMP, Energy Department submitted following in their response:
- i. That, this Commission vide daily order dated 10.03.2026 directed respondents to file their reply within 2 weeks and allowed petitioner IA no 07 of 2026 impleading Energy Department, Government of Madhya Pradesh as party in the petition.
  - ii. That, the Petitioner is a SPV of Gol (Government of India) and GoMP (Government of Madhya Pradesh) with 51% equity of GoMP and 49% equity of Gol. The Petitioner

will develop PM MITRA Park at Bhensola in Dhar district with an intend to promote, encourage and assist the establishment, growth and development of integrated large scale and modern industrial infrastructure facility for the entire value-chain of the textile sector with plug and play facilities to help to create global champions in the textiles sector.

iii. **That, the Government of Madhya Pradesh has notified Bhensola area as minimum area of supply vide order dated 29.09.2023 and the petitioner has been authorized as Developer of the area, including provision of essential services such as electricity supply.**

iv. Based on the submissions made by the Petitioner, it is observed that they have:

- a. Proposed investment in distribution infrastructure including substations, lines, and metering systems
- b. Submitted financial and technical details indicating capability to undertake distribution business
- c. Planned procurement of power through competitive sources to optimize cost
- d. The proposal is aligned with the objective of promoting industrial development and improving ease of doing business in the State.

v. That, the likely impact on the existing DISCOM i.e. Respondent No.1 MP Paschim Kshetra Vidyut Vitaran Company Limited is highlighted below:-

- a) *The proposed distribution licence pertains to a greenfield industrial area and is primarily intended to cater to new consumers. In principle, the proposal is expected to facilitate the availability of reliable and competitively priced power and support industrial growth, investment, and employment generation in the State.*
- b) *However, at the same time, the potential implications on the existing distribution licensees (DISCOMs) need careful consideration. These may include possible potential revenue loss to DISCOMs, adverse impact on cross-subsidy structure, likelihood of migration of high-paying consumers, organizational and managerial capability of the applicant, requirement of capital adequacy and creditworthiness of petitioner and possible financial implications on the power procurement planning and overall sectoral balance.*

Therefore, a comprehensive assessment of such impact is essential.

vi. That, the likely impact on the Respondent No.3 MP Power Management Company Limited is highlighted below:-

- a) *In earlier precedents concerning grant of distribution licence in notified industrial areas such as Babai-Mohasa and Pithampur, Commission has been pleased to grant distribution licenses to the respective developers of such areas. In the said cases, the scope of the licensees was largely confined to discharge of distribution functions, whereas the procurement of power was predominantly undertaken through MP Power Management Company Limited,, thereby effectively restricting the role of such licensees to that of distribution entities.*
- b) *It is further submitted that in the present petition, the Petitioner has envisaged a*

*comparatively wider and more flexible framework for power procurement. While the Petitioner has indicated procurement of power from MP Power Management Company Limited to meet its long-term and medium-term requirements, it has also proposed to retain the option to procure power from the cheapest available renewable energy sources in compliance with applicable Renewable sources in the market. Such sources, as submitted, may include Purchase Obligation (RPO) requirements, power exchanges, and other competitive procurement avenues.*

In view of the above, the present proposal stands on a distinguishable footing from earlier cases, and therefore, the same may require appropriate consideration by the Commission in light of the prevailing regulatory framework, sectoral implications, and the need to maintain overall balance within the power sector.

- vii. That, while the State Government supports industrial development initiatives such as the PM MITRA Park being developed by PM MITRA Park Madhya Pradesh Limited, it is respectfully submitted that the Commission may undertake a detailed prudence check prior to grant of the distribution licence. Such prudence check may, inter alia, include assessment of the actual incremental load vis-à-vis possible diversion of existing or likely consumers from DISCOMs, evaluation of the impact on DISCOM's revenues and cross-subsidy structure, and examination of the proposed power procurement strategy and tariff reasonableness. Further, the Commission may also assess the capital investment plan with respect to cost efficiency, ensure compliance with universal service obligations and consumer protection norms, and put in place safeguards to prevent cherry-picking of lucrative consumers.
  - viii. That, a balanced approach may be adopted wherein the objectives of industrial growth and infrastructure development are duly supported, while simultaneously safeguarding the financial sustainability and operational viability of the existing DISCOMs. In this regard, the Commission may consider stipulating appropriate terms and conditions in the licence, if granted, to ensure that the overall sectoral balance is maintained.
  - ix. In view of the foregoing, it is submitted that while the proposal is broadly aligned with the policy objectives of industrial development in the State, the Commission may examine the petition in detail through a prudence check and satisfy itself that the grant of licence does not result in any adverse impact on the existing DISCOMs and consumers at large; and Commission may, thereafter, pass appropriate orders in the matter, with such conditions and safeguards as may be considered necessary in the facts and circumstances of the case.
10. The Commission issued public notice as per provisions under sub-section (5)(a) of Section 15 of the Electricity Act, 2003 and Regulation 6.2 of MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025, which was published in the newspapers on 19.03.2026. Last date for receiving comments from stakeholders was 06.04.2026. Public hearing was held on 28.04.2026, wherein the parties/stakeholders were heard and the case was reserved for orders.
  11. Subsequent to the public hearing held on 28.04.2026, Petitioner vide letter dated

13.05.2026 approached this Commission and stated that the Respondent No. 1&3 did not provide them copy of their replies on the petition till the date of public hearing and the same has been sent to them by Respondents only on 13.05.2026. The Petitioner sought liberty to file rejoinder on the reply submitted by Respondent No. 1&3.

12. Considering the request of the Petitioner, case was reopened and the Petitioner was allowed to file re-joinder within a week and case was fixed for hearing on 26.05.2026.
13. By Affidavit dt. 25<sup>th</sup> May 2026, the Petitioner i.e. PM Mitra Park Madhya Pradesh Ltd., Bhopal submitted following in their rejoinder:
  - i. The present Rejoinder is being filed by PM MITRA Park Madhya Pradesh Limited (“Petitioner”) in response to the Reply/Objections filed by MPPMCL and MP DISCOM (“Respondents”) dated 06.04.2026 which has been received by the petitioner only on 13.05.2026.
  - ii. At the outset, the Petitioner submits that the objections raised by the Respondents are not fully aligned with the objectives of the Electricity Act, 2003 and the policy framework of the Government of India under the Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Scheme.
  - iii. The Petitioner reiterates that the present Petition has been filed under Sections 14 and 15 of the Electricity Act, 2003 read with the applicable MPERC Regulations seeking grant of a Distribution Licence for the notified Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Park area at Bhensola, District Dhar, Madhya Pradesh.
  - iv. The Petitioner is a Limited Company owned and controlled jointly by the Government of Madhya Pradesh and the Government of India, with an equity participation of 51% and 49%, respectively. Further, vide Order No. IPI/2/002/2022/A-11 dated 29.09.2023 issued by the Department of Industrial Policy and Investment Promotion, Government of Madhya Pradesh, the State Government has recommended the consideration of grant of electricity distribution rights/licence for the PM MITRA Park.
  - v. The Petitioner respectfully submits that the PM MITRA Park is a policy-driven national infrastructure initiative approved by the Government of India with the specific objective of creating world-class integrated industrial ecosystems with dedicated utility infrastructure including power systems, logistics, water supply and common infrastructure facilities. The significance and national importance of the project is further evident from the fact that the PM MITRA Park, Madhya Pradesh was inaugurated and foundation stone was laid by the **Hon’ble Prime Minister of India** on 17.09.2025 at Dhar, Madhya Pradesh, thereby reaffirming the Government of India’s commitment towards development of integrated industrial infrastructure under the PM MITRA Scheme.
  - vi. The Petitioner will develop PM MITRA Park at Bhensola in Dhar district with an intend to promote, encourage and assist the establishment, growth and development of integrated large scale and modern industrial infrastructure facility for the entire

value-chain of the textile sector with plug and play facilities to help to create global champions in the textiles sector.

- vii. The Respondents have attempted to oppose the present Petition primarily on the grounds of:
- impact on Incumbent Licensee
  - lack of capital adequacy and creditworthiness;
  - absence of power procurement clarity;
  - alleged inadequacy of organizational and managerial capability.

The Petitioner respectfully submits that each of the aforesaid objections is untenable and liable to be rejected for the reasons elaborated hereinbelow.

**A. REPLY TO OBJECTIONS REGARDING IMPACT ON INCUMBENT LICENSEE**

- i. The Ministry of Textiles, Government of India has launched the Pradhan Mantri Mega Integrated Textile Region and Apparel (PM MITRA) Scheme aimed at strengthening the Indian textile industry and attracting investments by creating an integrated infrastructure to increase the scale of operations, reduce logistics costs, increase export potential, and generate employment in the country.
- ii. It is submitted that the PM MITRA Park is a newly developed Greenfield industrial ecosystem being established under a special policy initiative of the Government of India. The industrial consumers proposed to be established within the PM MITRA Park do not constitute existing consumers of MP DISCOM.
- iii. Further, it is submitted that Clause 1.1 of the “1st Revised Guidelines for Release of Grants under the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme”, issued vide notification dated 28.08.2025, expressly states that the Scheme has been formulated:

*“to strengthen the Indian textile industry by way of enabling scale of operations, reduce logistics cost by housing entire value chain at one location, attract investment, generate employment and augment export potential.”*

The above statement clearly emphasizes that:

- the scheme is investment-oriented;
  - designed to improve competitiveness;
  - intended to attract textile manufacturers into the PM MITRA locations.
- iv. Therefore, the development of PM MITRA Park shall result in creation of incremental industrial demand, enhanced economic activity, employment generation, increased State revenue and overall industrial growth within Madhya Pradesh.
- v. The apprehension regarding loss of industrial consumers is therefore speculative and cannot constitute a legal ground for rejection of a distribution licence application under Sections 14 and 15 of the Electricity Act, 2003.

- vi. The Respondents have contended that grant of a Distribution Licence to the Petitioner would adversely impact the revenues of MP DISCOM and affect cross-subsidy mechanisms.
- vii. The project has been specifically conceptualized to **attract fresh industrial investment, textile manufacturing units, export-oriented industries and ancillary infrastructure** which may not have otherwise developed within the State in absence of such dedicated infrastructure ecosystem.
- viii. Therefore, the industrial demand proposed within PM MITRA Park constitutes incremental and induced demand arising from the PM MITRA Scheme itself and cannot automatically be treated as an existing or assured consumer base of MP DISCOM.
- ix. The Respondents cannot seek protection of their consumer base by opposing entry of another distribution licensee, particularly where the Petitioner seeks to develop an integrated distribution system for a **newly notified industrial area**.
- x. Just on the fact that the proposed licenced area predominantly comprises industrial consumers cannot by itself debar the Petitioner from seeking a distribution licence, particularly when the Electricity Act, 2003 itself expressly contemplates grant of multiple licences within the same area through separate distribution systems.

Under Part IV (Licensing) of the Electricity Act, 2003, Section 14 provides as follows:

**Section 14 -Grant of licence**

The Appropriate Commission may, on an application made to it under section 15, grant a licence to any person-

- A. to transmit electricity as a transmission licensee; or
- B. to distribute electricity as a distribution licensee; or
- C. to undertake trading in electricity as an electricity trader, in any area as may be specified in the licence:

Further, the fifth proviso to Section 14 of the Electricity Act, 2003 provides that:

*“Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements relating to the capital adequacy, creditworthiness, or code of conduct as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area for the same purpose”*

- xi.** It is further submitted that the Electricity sector framework under the Electricity Act, 2003 recognizes the possibility of multiple distribution licensees and evolving market structures. Accordingly, procurement planning and resource adequacy mechanisms are necessarily adaptable and cannot be treated as rigid or immutable frameworks preventing grant of licence to eligible applicants.
- xii.** The Petitioner respectfully submits that the principle of Universal Service Obligation (USO) applies equally to every distribution licensee operating under the Electricity Act, 2003. Upon grant of licence, the Petitioner shall also remain bound by all statutory obligations, regulatory requirements and consumer service responsibilities applicable to a distribution licensee under the Act and Regulations framed by the Madhya Pradesh Electricity Regulatory Commission.
- xiii.** Without prejudice to the aforesaid submissions, the Petitioner respectfully submits that the apprehensions expressed by the Respondents regarding the alleged adverse impact on the Resource Adequacy Plan ("RAP"), industrial sales composition and financial position of MP DISCOM are highly overstated and disproportionate to the actual projected demand of the PM MITRA Park. The Resource Adequacy Plan is dynamic in nature and routinely adjusted based on changing demand forecasts, market developments and procurement planning.
- xiv.** It is noteworthy that in the latest Retail Supply Tariff Orders applicable to all three MP DISCOM, the total annual electricity requirement of the State of Madhya Pradesh is approximately 1,02,086 MU for FY 27. In comparison, the projected annual electricity requirement of PM MITRA Park is only around 170 MU for FY 27, which constitutes merely approximately 0.16% of the total annual electricity requirement of the State. The projected demand of PM MITRA Park represents only a marginal fraction of the State's aggregate electricity demand and therefore cannot reasonably be construed as posing any substantial risk to the State-wide demand forecasting framework, contracted capacity planning or overall tariff structure of the incumbent distribution licensees. PM MITRA Park is a newly developed Greenfield industrial ecosystem being established under a special policy initiative of the Government of India. Therefore, there is no such impact on cross subsidy matrix.
- xv.** On the contrary, the PM MITRA Park is expected to generate substantial industrial growth, employment opportunities, export-oriented manufacturing and ancillary economic activities within the State of Madhya Pradesh, thereby contributing positively to the State economy and overall electricity consumption growth trajectory.
- xvi.** It is submitted that the differentiated treatment proposed for industries within the PM MITRA Park is a result of a conscious policy decision of the Government of India under a notified national industrial infrastructure scheme and does not amount to any arbitrary or impermissible classification. Similar differentiated infrastructure and incentive frameworks are routinely extended to SEZs, industrial corridors and sector-specific industrial parks across the country and have never been considered violative of fairness or equitable access principles. Accordingly, the allegation that the proposed licence would distort competition or undermine equitable access is not fully align with the framework of the PM MITRA Scheme and the Electricity Act,

2003. In fact, PM MITRA Scheme aimed at strengthening the Indian textile industry and attracting investments by creating an integrated infrastructure to increase the scale of operations, reduce logistics costs, increase export potential, and generate employment in the country.

- xvii. The Respondents have also sought to raise concerns regarding the financial sustainability of MP DISCOM. In this regard, the Petitioner respectfully submits that the long-term financial sustainability of a distribution licensee is dependent upon multiple operational and regulatory parameters including reduction in AT&C losses, improvement in billing and collection efficiency, prudent power procurement, infrastructure modernization, energy accounting, operational efficiency and regulatory support mechanisms, and cannot be attributed solely to retention of a particular industrial consumer segment.
- xviii. In fact, establishment of a dedicated and modern distribution system within PM MITRA Park shall improve reliability, reduce technical losses, ensure high quality power supply to industries and support industrial competitiveness, thereby advancing the larger public interest and economic development objectives of the State.

**B. REPLY TO OBJECTIONS REGARDING CAPITAL ADEQUACY AND CREDITWORTHINESS**

- i. The Respondents have alleged that the Petitioner does not satisfy the requirements of Capital Adequacy and Creditworthiness under the Electricity Act and applicable Rules on account of being a newly incorporated Special Purpose Vehicle.
- ii. The Petitioner is a Government promoted Special Purpose Vehicle jointly supported by the Government of India and Government of Madhya Pradesh specifically incorporated for development and implementation of PM MITRA Park.
- iii. The PM MITRA Scheme itself envisages a Government-supported infrastructure development framework wherein substantial capital expenditure is proposed to be funded through Development Capital Support (“DCS”) and other approved institutional funding mechanisms. In the present case, the Petitioner is not seeking to rely merely upon a minimum 30% equity contribution mechanism; rather, the infrastructure development for the PM MITRA Park is proposed to be substantially supported through Government-backed funding support under the approved PM MITRA Scheme framework.
- iv. The petitioner further submits that the PM Mitra Scheme has a budget outlay of Rs. 4,445 cr. including administrative expenses of Rs 30 cr. over a 7-year period up to 2027-28. The Development Capital Support (DCS) shall be provided @30% of the total project cost with a maximum support of 500 Cr/per park.
- v. Further, it is submitted that, in terms of the *1st Revised Guidelines for Release of Grants under the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme*, issued pursuant to Para 9 of the Scheme Notification dated 20.10.2021 and revised vide notification dated 28.08.2025, the first instalment of Grant-in-Aid from

the Ministry of Textiles amounting to INR 50 Crore has already been received and has been fully utilized. Further, a request for release of the second instalment has also been submitted to the concerned department vide letter dated MPIDC/CE/30/2026/2630 vide dated 12.03.2026.

- vi. The Petitioner's project structure, funding framework and implementation mechanism are fully backed by the PM MITRA Scheme guidelines and Government support framework.
- vii. Also, it is respectfully submitted that any delay in the release of Government Grant-in-Aid owing to unforeseen administrative or procedural circumstances does not in any manner affect the financial capability of the PM MITRA Park to undertake and complete the proposed project. The Park has independently generated funds exceeding INR 525 Crore from the consumers in the form of development charge in line with the guidelines/policies of Government of Madhya Pradesh, which have been prudently invested in Fixed Deposits. These funds will be utilized for infrastructure development, including electrical works, water supply systems, and other associated development activities, thereby demonstrating the Park's independent financial capacity and project viability.
- viii. While Rule 3 of the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 requires the Appropriate Commission to examine capital adequacy and creditworthiness, the said Rule expressly permits consideration of the financial capability and net worth of the promoters in case the applicant is a company. The Rules nowhere mandate that a newly incorporated Government-backed SPV must independently possess three years' operational history or standalone internal resource generation. In the present case, the Petitioner is a Government-backed SPV established pursuant to the PM MITRA Scheme with institutional support from the Government of India and State Government agencies, and therefore its financial capability and creditworthiness are liable to be assessed in the context of promoter backing, sanctioned Government support and committed project funding structure.
- ix. The Petitioner has already placed on record detailed project reports, business plans, funding structures, Government support framework and proposed infrastructure development mechanisms.
- x. Also, the reliance placed by the Respondents upon the APTEL judgment in Appeal No. 7 of 2010 is misplaced and distinguishable on facts.
- xi. In the present case:
  - the Petitioner is a Government-backed SPV established under a notified national scheme;
  - the project is part of a structured industrial infrastructure initiative;
  - the funding support framework is formally incorporated in the "PM MITRA Scheme – 1st Revised Guidelines for Release of Grants under the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme" issued pursuant to Para 9 of the Scheme Notification dated 20.10.2021 and revised vide

- notification dated 28.08.2025.
  - the proposed distribution system forms part of integrated infrastructure development;
  - the Petitioner has disclosed project funding mechanisms and implementation arrangements before this Commission.
- xii. The Petitioner further submits that financial capability and project viability may be examined holistically considering the nature of the project, government backing, institutional support, proposed investment structure and implementation arrangements.
- xiii. The Petitioner is fully capable of developing, operating and maintaining the proposed distribution system in accordance with the Electricity Act, 2003 and comply with the additional requirements [relating to the capital adequacy, credit-worthiness, or code of conduct] as may be prescribed by the appropriate commission.

**C. REPLY TO OBJECTIONS REGARDING POWER PROCUREMENT PLANNING**

- i. The Respondents have objected to the Petitioner’s power procurement strategy and alleged absence of clarity regarding long-term power procurement arrangements.
- ii. The Petitioner has already indicated in its Business Plan that power procurement shall be undertaken through a combination of:
- a. long-term and medium-term arrangements;
  - b. procurement through open market;
  - c. captive and distributed renewable energy integration.
- iii. The exact procurement portfolio shall necessarily evolve in a phased manner depending upon load growth, consumer mix, demand profile and prevailing market conditions.
- iv. Further, the Petitioner humbly submits that upon grant of the Distribution Licence, the Petitioner shall explore procurement of power from Madhya Pradesh Power Management Company Limited as well as through open market sources, with the objective of securing reliable power at the most competitive tariff for the proposed licenced area. Such procurement shall be undertaken subject to availability, commercial viability and in accordance with the provisions of the Electricity Act, 2003 and applicable Regulations.
- v. However, for the limited purpose of estimation of power purchase cost in the present Petition and Business Plan, the Petitioner has presently considered the APPC rate of the State of Madhya Pradesh at the State periphery, i.e., Rs. 4.09/kWh, as approved by the Commission in the Petition No. 31/2025 . The said rate has been adopted only for indicative and projection purposes, and the actual power purchase cost shall be finalized based upon the procurement arrangements and agreements executed subsequently.
- vi. With regard to Renewable Consumption Obligation (“RCO”) compliance, the

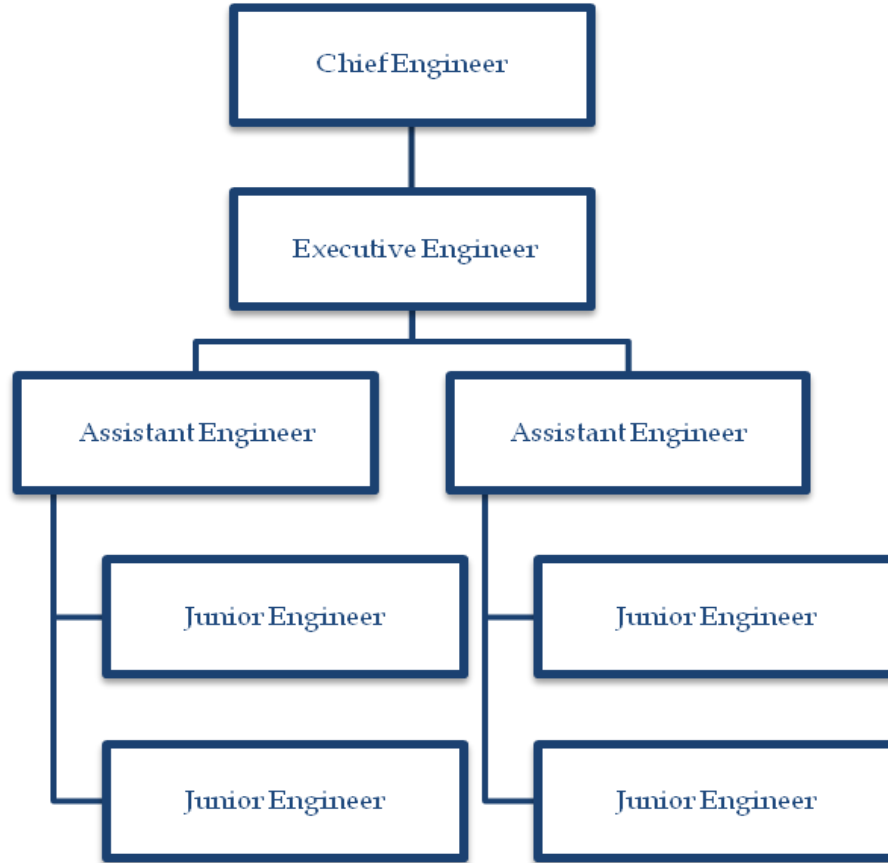
Petitioner respectfully submits that it is fully conscious of the evolving regulatory framework and shall comply with all applicable Renewable Energy/RCO obligations as may be specified by the Ministry of Power and the Madhya Pradesh Electricity Regulatory Commission from time to time.

- vii. The Petitioner respectfully submits that it shall duly comply with the revised regulatory provisions and any amended RPO obligations as may be applicable during the operational period of the proposed Distribution Licence.
- viii. The Petitioner also proposes to integrate renewable energy infrastructure within the PM MITRA Park ecosystem, including solar energy projects. Further, any remaining Renewable Consumption Obligation (“RCO”) compliance shall be fulfilled through purchase of Renewable Energy Certificates (“RECs”) or through such other permissible mechanisms/sources as may be allowed under the applicable regulatory framework from time to time.
- ix. Any refinement in procurement methodology, renewable energy planning or compliance accounting can appropriately be addressed during subsequent regulatory proceedings including ARR and tariff filings.

**D. REPLY TO OBJECTIONS REGARDING ORGANISATIONAL AND MANAGERIAL CAPABILITY**

- i. The Respondents have further alleged that the Petitioner lacks organizational and managerial capability.
- ii. The PM MITRA Park is a large-scale infrastructure project being implemented in a phased manner.
- iii. The operational framework for distribution activities shall correspondingly be developed in phases aligned with infrastructure development, consumer connectivity and operational requirements.
- iv. It is respectfully submitted that PM Mitra Park Madhya Pradesh Ltd. functions as a Special Purpose Vehicle (SPV) under the aegis of Madhya Pradesh Industrial Development Corporation. All developmental activities, including the proposed distribution business, shall be overseen and supported by MPIDC. The proposed distribution operations would be guided and hand-held by MPIDC’s experienced team having proven expertise in development and management of large-scale industrial infrastructure and utility projects.
- v. It is further submitted that MPIDC is already associated with and managing licenced distribution operations in established industrial areas including the Pithampur industrial region and Mohasa Babai Industrial Area, thereby demonstrating institutional experience and operational capability in handling distribution-related functions within industrial townships and integrated manufacturing clusters.
- vi. The Petitioner respectfully submits the proposed tentative organizational structure for operation and management of the proposed distribution system as under:

- In line with the Order No. IPI/2/002/2022/A-11 dated 29.09.2023 issued by the Department of Industrial Policy and Investment Promotion, Government of Madhya Pradesh, the Managing Director (“MD”) of the SPV shall be the Additional Chief Secretary/Principal Secretary, Industrial Policy and Investment Promotion Department, Government of Madhya Pradesh.
- vii. Under the overall supervision and control of the aforesaid governing structure, the following technical and operational hierarchy is proposed for management of the distribution operations within PM MITRA Park:



- viii. The Petitioner undertakes that prior to commencement of distribution operations, all necessary technical personnel, operational systems, safety mechanisms and managerial arrangements shall be duly established in accordance with applicable Regulations and industry standards.

**Commission’s observations and findings**

14. The Commission has observed the following from the petition and the submissions of the petitioner and Respondents in this matter:
- i. The Petitioner is a Limited Company and is owned and controlled by the Government of Madhya Pradesh with equity 51% and Government of India with equity 49%. The Petitioner will develop PM MITRA Park at Bhensola in Dhar

district with an intention to promote, encourage and assist the establishment, growth and development of integrated large scale and modern industrial infrastructure facility for the entire value-chain of the textile sector with plug and play facilities to support in creation of global champions in the textiles sector.

- ii. The petitioner has filed the petition along with required documents in accordance with the provisions of MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025. The details/ documents filed with the petition are as under: -
  - a) Geographical Area within which Applicant proposes to undertake Distribution of Electricity
  - b) Certificate of registration/incorporation
  - c) Memorandum and Articles of Association
  - d) Details of Income tax Registration
  - e) Details of Financial Data of Applicant
  - f) Competence of the Applicant
  - g) Approach & Methodology:
  - h) Data relating to the applicant's future business
  - i) Five-year Business Plan for Distribution of electricity for which the application is being made and funding arrangements for meeting its obligations under proposed Licence for maintenance, operation, improvement and expansion for future load growth.
  - j) Five-year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided.
  - k) NOC from Forest Department, Airport Authority and Defence Organization as required under section 15(2)(ii) of the Electricity Act, 2003.
- iii. The Commission has noted that the GoMP took a cabinet decision on 29/09/2023 to promote investors to invest in green field project, wherein the area of Bhensola District Dhar has been notified as minimum area of supply for grant of Distribution Licence from this Commission. Order in this regard was issued by the Department of Industrial Policy and Investment Promotion (DIPIP), Government of MP.
- iv. The Petitioner submitted that they possess technical competence and skilled workforce for managing the distribution business. The Petitioner further intends to seek support of consultants, having proven expertise, for bringing efficiencies and managing various operations of the power distribution business. The Petitioner also submitted that their promoter agency, i.e. MPIDC is already managing various operations of power distribution business in Pithampur SEZ and MPIDC Mohasa-Babai, Narmadapuram.
- v. The Commission has noted that the Petitioner had published a notice in leading newspaper on 17.12.2025 to invite objections from public, as required under Section 15 (2) of the Electricity Act, 2003 and Regulation 5.8 of MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025. As

submitted by Petitioner, no objections were received from public on the said notice.

- vi. The Respondents No. 1 & 3 have opposed the petition for grant of distribution licence to the Petitioner for the proposed textile park at PM Mitra Park, Dhar, and submitted their objections by affidavit dated 06<sup>th</sup> April' 2026. The following issues were mainly raised in their objection: -
  - i. Adverse financial impact on incumbent distribution licensee;
  - ii. Lack of capital adequacy and creditworthiness;
  - iii. Absence of power procurement clarity particularly regarding RPO compliance;
  - iv. Inadequacy of organizational and managerial capability
- vii. The Respondent No. 4 i.e. Energy Department, GoMP has however supported the petition with the submissions that the Petitioner has submitted details of proposed investment in distribution system, financial and technical details including capability to undertake distribution business, details of power procurement plan through competitive sources and that their proposals are aligned with the objectives of promoting industrial development and improving ease of doing business in the State. The Respondent No. 4 also highlighted likely impact on the existing Discom and MP Power Management Company Limited and prayed for taking a balanced view while granting licence to the Petitioner.
- viii. The Commission has noted that the subject petition is to be examined under the following legal framework:
  - i. MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025.
  - ii. Sixth Proviso of Section 14 of the Electricity Act' 2003.
  - iii. Rule 3 & 4 of Distribution of Electricity Licence (Additional Requirement of Capital Adequacy, Credit Worthiness and Code of Conduct) Rules, 2005 notified by the Ministry of Power, Govt. of India.
  - iv. Section 15(2) and 15(5) of the Electricity Act' 2003.
- ix. The Commission has examined the petition under the aforesaid legal framework as under: -
  - a. **MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025**

**Commission's Observation on filing of petition as per the provisions of applicable Regulations:**

The Commission notes that the application for grant of distribution licence has been filed in accordance with the provisions of MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution

Licensee (Including Deemed Licensee)] Regulations, 2025 and all required details/ documents and maps have been submitted with the petition.

**b. Sixth Proviso of Section 14 of the Electricity Act, 2003 provides as under:**

*“Provided also that the Appropriate Commission may grant a licence to two or more persons for distribution of electricity through their own distribution system within the same area, subject to the conditions that the applicant for grant of licence within the same area shall, without prejudice to the other conditions or requirements under this Act, comply with the additional requirements (including the capital adequacy, creditworthiness, or code of conduct) as may be prescribed by the Central Government, and no such applicant, who complies with all the requirements for grant of licence, shall be refused grant of licence on the ground that there already exists a licensee in the same area of the same purpose.”*

**c. Regulation 4 of MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025 provides as under:**

***“4. Eligibility for Grant of Licence:***

***4.1*** Any person intending to apply for Licence shall require to fulfill the Capital Adequacy, Credit worthiness and other conditions laid down by Ministry of Power, Government of India through “the distribution of electricity Licence (Additional requirement of Capital Adequacy, Creditworthiness and Code of Conduct) Rules 2005” as amended from time to time.

***4.2 Requirements of capital adequacy and creditworthiness:***

***i.*** The Commission shall, upon receipt of an application for grant of Licence for distribution of electricity under Section 15 (1) of the Act, decide the requirement of capital investment for distribution network after hearing the applicant and keeping in view the size of the area of supply and the supply obligation within that area in terms of Section 43 of the Act.

***ii.*** The applicant for grant of Licence shall be required to satisfy the Commission that on a norm of 30% equity on cost of investment as determined under Regulation 4.2(i) above, he would be in a position to make available resources for such equity of the project on the basis of net worth and generation of internal resources of his business in the preceding three years after excluding his other committed investments.”

**Commission’s Observation on Requirements of capital adequacy and creditworthiness:**

The Respondents No. 1&3 have submitted that the Petitioner does not satisfy the requirements of Capital Adequacy and Creditworthiness under the Electricity Act, 2003 and applicable Rules on account of being a newly incorporated Special Purpose Vehicle. In this regard, Petitioner in its rejoinder submitted that the Petitioner is a Government promoted Special Purpose Vehicle jointly supported by the Government of India and Government of

Madhya Pradesh specifically incorporated for development and implementation of PM MITRA Park. The PM MITRA Scheme itself envisages a government-supported infrastructure development framework wherein substantial capital expenditure is proposed to be funded through Development Capital Support and other approved institutional funding mechanisms. In the present case, the Petitioner is not seeking to rely merely upon a minimum 30% equity contribution mechanism; rather, the infrastructure development for the PM MITRA Park is proposed to be substantially supported through Government-backed funding support under the approved PM MITRA Scheme framework. The PM Mitra Scheme has a budget outlay of Rs. 4,445 cr. including administrative expenses of Rs 30 cr. over a 7-year period up to 2027-28. The Development Capital Support shall be provided @30% of the total project cost with a maximum support of 500 Cr/per park.

The Petitioner further submitted that, in terms of the 1<sup>st</sup> Revised Guidelines for Release of Grants under the PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks Scheme, issued pursuant to Para 9 of the Scheme Notification dated 20.10.2021 and revised vide notification dated 28.08.2025, the first instalment of Grant-in-Aid from the Ministry of Textiles amounting to INR 50 Crore has already been received and has been fully utilized. Further, a request for release of the second instalment has also been submitted to the department concerned vide letter dated 12.03.2026.

The Petitioner's project structure, funding framework and implementation mechanism are fully backed by the PM MITRA Scheme guidelines and Government support framework. The Park has independently generated funds exceeding INR 525 Crore from the consumers in the form of development charge in line with the guidelines/policies of Government of Madhya Pradesh, which have been prudently invested in Fixed Deposits. These funds will be utilized for infrastructure development, including electrical works, water supply systems, and other associated development activities, thereby demonstrating the Park's independent financial capacity and project viability.

While Rule 3 of the Distribution of Electricity Licence (Additional Requirements of Capital Adequacy, Creditworthiness and Code of Conduct) Rules, 2005 requires the Appropriate Commission to examine capital adequacy and creditworthiness, the said Rule expressly permits consideration of the financial capability and net worth of the promoters in case the applicant is a company. The Rules nowhere mandate that a newly incorporated Government-backed SPV must independently possess three years' operational history or standalone internal resource generation. In the present case, the Petitioner is a Government-backed SPV established pursuant to the PM MITRA Park Scheme with institutional support from the Government of India and State Government agencies, and therefore its financial capability and creditworthiness are liable to be assessed in the context of promoter backing, sanctioned Government support and committed project funding structure. The Petitioner has already placed on record detailed project reports, business plans, funding structures, Government support framework and proposed infrastructure development mechanisms. The Petitioner has shown its full capability of developing, operating and maintaining the proposed distribution system in accordance

with the Electricity Act, 2003 and comply with the additional requirements [relating to the capital adequacy, creditworthiness, or code of conduct] as may be prescribed by the Appropriate Commission.

The Commission has further noted that the business plan submitted by the Petitioner indicates proposed estimated cost of distribution network at Rs 340.12 Cr which will be fully funded from grants and development charges to be recovered from the manufacturers/ units coming in the Park. No loan has been availed by the Petitioner and entire fund requirement shall be met from the grants under PM Mitra Park Scheme and development charges. The Commission is therefore satisfied with the requirements of capital adequacy and creditworthiness demonstrated by the Petitioner.

- d. Rule 4 of Distribution of Electricity Licence (Additional Requirement of Capital Adequacy, Credit Worthiness and Code of Conduct) Rules, 2005 notified by the Ministry of Power, Govt. of India provides as under:

***“4. Requirement of Code of conduct-***

*The applicant for grant of licence shall satisfy the Appropriate Commission that he has not been found guilty or has not been disqualified under any of the following provisions within the last three years from the date of application for the grant of licence:*

*(a) section 203, section 274, section 388-B or section 397 of the Companies Act, 1956;*

*(b) section 276, section 276-B, section 276-BB, section 276-C, section 277 or section 278 of the Income-tax Act, 1961;*

*(c) section 15-C, section 15-G, section 15-H or section 15-HA of the Securities and Exchange Board of India Act, 1992;*

*(d) clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of section 9 of the Central Excise Act, 1944;*

*(e) section 132 or section 135 of the Customs Act, 1962, and that the applicant is not a person in whose case licence was suspended under section 24 or revoked under section 19 of the Act, within the last three years from the date of application:*

*Provided that where the applicant is a company, it shall satisfy the Appropriate Commission in addition to provisions of this rule that no petition for winding up of the company or any other company of the same promoter has been admitted under section 443(e) of the Companies Act, 1956 on the ground of its being unable to pay its debts.”*

**Commission’s Observation on Requirement of Code of conduct:**

Regarding requirement of code of conduct as required under Rule 4 of Distribution of Electricity Licence (Additional Requirement of Capital Adequacy, Credit Worthiness and Code of Conduct) Rules, 2005 notified by the Ministry of Power, Govt. of India, the Commission notes that the Petitioner vide his undertaking dated 25.05.2026 has made following submissions: -

“

1. *That we have not been found guilty or have not been disqualified under any of the following provisions since the date of incorporation of the company and from the date of the application for the grant of licence:*
  - a. *Section 203, section 274, section 388B or section 397 of the Companies Act, 1956;*
  - b. *Section 276, section 276B, section 276BB, section 276C, section 277 or section 278 of the Income tax Act, 1961;*
  - c. *Section 15C, section 15G, section 15H or section 15HA of the Securities and Exchange Board of India Act, 1992;*
  - d. *Clause (b), (bb), (bbb), (bbbb), (c) or (d) of sub-section (1) of section 9 of the Excise Act 1944;*
  - e. *Section 132 or section 135 of the Customs Act 1962;*
2. *That we are not a company in whose case licence was suspended under section 24 or revoked under section 19 of the Act, since the date of incorporation of the company and from the date of application.*
3. *That no petition for winding up of the company or any other group company of our promoter has been admitted under section 443(c) of the Companies Act, 1956 on the ground of its being unable to pay its debts."*

The Commission is therefore satisfied that requirements laid down in Rule 4 of Distribution of Electricity Licence (Additional Requirement of Capital Adequacy, Credit Worthiness and Code of Conduct) Rules, 2005 are fulfilled by the Petitioner.

- e. Section 15(2) and 15(5) of the Electricity Act, 2003 provides as under:

***"Section 15. (Procedure for grant of licence): ...***

*(2) Any person who has made an application for grant of licence shall, within seven days after making such application, publish a notice of his application with such particulars and in such manner as may be specified and a licence shall not be granted –*

- (i) Until the objections, if any, received by the Appropriate Commission in response to publication of the application have been considered by it: Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the date of the publication of the notice as aforesaid;*
- (ii) Until, in the case of an application for a licence for an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission has ascertained that there is no objection to the grant of the licence on the part of the Central Government."*

*"(5) Before granting a licence under section 14, the Appropriate Commission shall –*

- (a) *publish a notice in two such daily newspapers, as that Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence;*
- (b) *consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility or State Transmission Utility, as the case may be."*

**Commission's observations on Requirement of public notice inviting objections:**

The petitioner has made publications in two newspapers on the subject application for grant of distribution licence filed under Section 14 of the Electricity Act, 2003. This publication was made on 17<sup>th</sup> December 2025. The petitioner has stated that it has not received any objection to the above publication in newspapers. The Commission also published notice in two daily newspapers on 19<sup>th</sup> March' 2026 seeking objections from public but no objection on public notice was received within stipulated time period. The Commission is thus convinced that requirement under section 15(2) and 15(5) of the Electricity Act 2003 has been met with. The Petitioner has also submitted NOCs from Forest Department, Airport Authority and Defence Organization as required under section 15(2)(ii) of the Electricity Act, 2003.

The Respondent No. 2 i.e. MP Power Transmission Co. Ltd., also submitted that they do not have any objections on the subject petition. The Commission is therefore satisfied that the requirements under section 15(2) and 15(5) of the Electricity Act, 2003 has been fulfilled by the Petitioner.

15. Having dealt with the regulatory and statutory requirement for grant of distribution licence to the Petitioner in Para 14, Commission shall now deal with the objections filed by the Respondents on each issue as under: -

**a. Adverse financial impact on incumbent distribution licensee;**

The Respondents No. 1 & 3 have submitted that due to cherry picking by the Petitioner in the designated area and advantage of comparatively lower expected tariff, the prospective industrial connections particularly textile and allied industrial connections will be shifted to the new licenced area which otherwise would have availed connections from incumbent MP Discom. This will not only result in loss of revenue to the incumbent distribution licensee but also compromises the integrity of resource adequacy plan. The Commission notes that the proposed distribution licence is applied in a green field area in which there are no existing connections of the incumbent licensee. Thus, loss of revenue on account of prospective consumers which may be coming in the proposed area is highly assumptive in nature. The Commission does not concede the contention of Respondents that if the distribution licence is not granted to the Petitioner, the textile industries might have availed connections from incumbent distribution licensee. The PM Mitra Park is facilitating various incentives and will offer competitive tariff to attract the textile industries. The Respondents may also offer such competitive tariff by overall performance improvement. In absence of facilities and competitive tariff being offered in PM Mitra Park, the textile

industries may not be coming to the State which would be a loss to the State. Further, Respondents No. 1&3 failed to establish that how the proposed load in the PM Mitra Park would result into compromising the integrity of Resource Adequacy Plan particularly when the Park is proposed in a green field area and power will be procured by the Petitioner Company. On the other hand, Petitioner has demonstrated that the expected total power requirement of PM Mitra Park during 2026-27 would be around 170 MUs as against annual requirement of 102086 MUs of State during the same period which constitutes only a meagre 0.16%, therefore any impact on revenue would be only marginal. In light of the above, Commission finds no merit in the objection of Respondents No. 1 & 3 regarding likely negative impact on incumbent licensee on account of grant of distribution licence to PM Mitra Park.

**b. Lack of capital adequacy and creditworthiness;**

The Commission has already dealt with this matter in Para 14 (ix) (c) of this order and not repeating the same. The Commission finds that objections filed by Respondents regarding lack of capital adequacy and creditworthiness have no merit.

**c. Absence of power procurement clarity particularly regarding RPO compliance;**

The Respondents No. 1 & 3 have submitted that the Petitioner intends to procure power from the cheapest available sources in the market and for base load requirement, it intends to procure power from MPPMCL at APPC rate @ Rs 4.09/kWh. The Petitioner has also proposed to procure power from power exchanges and through competitive bidding process in case of any shortage. The Respondents have submitted that the Petitioner lacks clarity on cost of renewable power purchase as mandated by the Commission as on one hand it submits that it shall set up a solar plant to meet its RPO targets and on the other hand it has submitted that the RPO is included in the APPC rate of MPPMCL. The Respondents denied for any such inclusion of RPO cost in its APPC rates. The Petitioner in its rejoinder has clarified that the power purchase plan submitted through its business plan is only tentative for the purpose of estimation of overall cost of its operation and actual power purchase plan shall be worked out by the petitioner and submitted subsequently after grant of licence. The Petitioner also submitted that being obligated entity, it shall comply with the RPO targets notified by the Commission. The Commission observes that being obligated entity, the Petitioner will have to demonstrate conclusively its power purchase plan and RPO compliance plan at the time of approval of resource adequacy plan and ARR petition. The Commission is of the view that for the present, the APPC rates provided in business plan for estimation of cost will serve the purpose and detailed plan of power purchase and RPO compliance will have to be submitted by the Petitioner subsequently post grant of licence.

**d. Inadequacy of organizational and managerial capability**

The Respondents No. 1 & 3 have submitted that as per the provisions of Regulation 5.1 of the MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025, Petitioner is mandated to demonstrate its organizational and Managerial Capabilities in the form of proposed organizational structure with key executives and readiness to discharge licenced functions effectively. The Petitioner in its rejoinder submitted that PM Mitra Park Madhya Pradesh Ltd. functions as a Special Purpose Vehicle (SPV) under the aegis of Madhya Pradesh Industrial Development Corporation(MPIDC). All developmental activities, including the proposed distribution business, shall be overseen and supported by MPIDC. The proposed distribution operations would be guided and hand-held by MPIDC's experienced team having proven expertise in development and management of large-scale industrial infrastructure and utility projects. It is further submitted that MPIDC is already associated with and managing licensed distribution operations in established industrial areas including the Pithampur industrial region and Mohasa Babai Industrial Area, thereby demonstrating institutional experience and operational capability in handling distribution-related functions within industrial townships and integrated manufacturing clusters. The Petitioner further submitted its tentative organizational structure for operation and management of the proposed distribution system. According to Petitioner, in line with Order No. IPI/2/002/2022/A-11 dated 29.09.2023 issued by the Department of Industrial Policy and Investment Promotion, Government of Madhya Pradesh, the Managing Director of the SPV shall be the Additional Chief Secretary/Principal Secretary, Industrial Policy and Investment Promotion Department, Government of Madhya Pradesh. The Petitioner has undertaken that prior to commencement of distribution operations, all necessary technical personnel, operational systems, safety mechanisms and managerial arrangements shall be duly established in accordance with applicable Regulations and industry standards.

The Commission is satisfied with the proposals submitted by the Petitioner regarding its organizational structure and managerial capability.

16. In light of foregoing discussions, the Commission is of the view that the Petitioner fulfils the conditions laid down under Section 14, 15, 86(1)(d) of the Electricity Act, 2003 read with MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025 and is entitled for grant of distribution licence.
17. Considering the fact that the Petitioner i.e. PM Mitra Park Madhya Pradesh Ltd., Bhopal satisfies all the technical and financial criterion specified in MPERC [Procedure, Terms and Conditions for Grant of Distribution Licence and Other Matters of Distribution Licensee (Including Deemed Licensee)] Regulations, 2025. The Commission therefore, approves grant of distribution licence to PM Mitra Park Madhya Pradesh Ltd., Bhopal for distribution of electricity within the Industrial Area at Bhensola, Dist. Dhar, MP under the provisions of Sections 14 and 15 of the Electricity Act, 2003 and MPERC {Procedure, Terms and conditions for Grant of Distribution Licence and other matters of Distribution Licensee (Including Deemed Licensee)} Regulations, 2025.
18. Accordingly, the Commission Secretary is directed to issue distribution licence to PM Mitra Park Madhya Pradesh Ltd., Bhopal with a copy to Energy Department,

Government of Madhya Pradesh, Central Electricity Authority, MP SLDC, STU, MPPTCL, MPPMCL and all Distribution Licensees in the State of Madhya Pradesh as per the provisions under Regulation 6 of the MPERC {Procedure, Terms and conditions for Grant of Distribution License and other matters of Distribution Licensee (Including Deemed Licensee)} Regulations, 2025. The licence shall be effective from the date of issue for a period of Twenty-Five (25) years in accordance with sub-section 8 of Section 15 of the Electricity Act, 2003.

With the aforesaid directions, this petition filed by PM Mitra Park Madhya Pradesh Ltd., Bhopal stands disposed of.

**(Gajendra Tiwari)**  
**Member**

**(Gopal Srivastava)**  
**Acting Chairman**