

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION, BHOPAL**

**Sub: In the matter of filling of petition to change the tariff rate of registered Homestay from commercial to residential and to waive of amount levied on the registered Homestay vide notice dated 18.02.2019 (P.No. 18/2020)**

**Order**

**Date of motion hearing: 09. 11.2020**

**Date of order: 21.12.2020**

**1. MP State Tourism Board , Bhopal : Petitioner**

V/s

1. M.P. Madhya Kshetra Vidyut Vitaran Co. Ltd ,Bhopal
2. Col. Subodh Shukla , Bhopal
3. Smt. Neeru Galhotra , Bhopal
4. M.P. Paschim Kshetra Vidyut Vitaran Co. Ltd. Indore
5. M.P. PoorvKshetra Vidyut Vitaran Co. Ltd. Jabalpur

} Respondents

Shri Prashant Charoliya,OIC appeared on behalf of the petitioner.

2. The petitioner has filed the petition in pursuance to the State Govt. Policy namely Madhya Pradesh Homestay Sthapna (Panjiyantathaniyaman) yojna 2010(amended in 2018) introducing the concept of homestay for providing comfortable homestay facilities to the tourist, with an experience of local culture ,cuisine etc. and to invite participation of people in providing such tourist facilities to the visiting tourists . According to the provision of clause 10.3 of said policy, the person operating a registered homestay is required to pay the electricity bill as per the tariff applicable on residential premises. It is stated in the petition that a homestay is not a purely commercial venture and person operating the homestay is required to set aside a portion of his own accommodation to be used by the tourist and revenue generated from the letting of said accommodation goes directly to the owner of the premises and not to the petitioner. The petitioner has made following prayer in his petition: -

- i. *To change the tariff rate of registered homestays from commercial to residential and to waive off amount levied on the registered Homestay vide notice dated 18.02.2019;*
- ii. *To make residential tariff applicable at all Homestays as per the policy at all regions in the state of Madhya Pradesh.*

3. During the course of motion hearing held on 06.03.2020 , the Commission enquired from the petitioner whether the petitioner has filed the instant petition in pursuance to the Retail Supply Tariff petition for FY2020-21 filed by the Distribution Licensees of the State (P.No. 49/2019) against which the objections /suggestions of stakeholders are invited through public notice dated 14.02.2020 or whether a review is sought by the petitioner on an existing Retail supply tariff order for FY2019-20. The Commission has also enquired whether the

domestic/residential tariff for such homestays in other States is allowed by the Commission. In response, the representative of the petitioner has sought the time extension for submission of reply which was granted by the Commission vide daily order dated 18.03.2020.

4. Subsequently, in pursuance to the Commission directives, the petitioner has made its submission after a long interval i.e on 22/10/2020, which is summarized below -

- a. *That the Applicant Board was established with an objective to promote tourism in the State of Madhya Pradesh. A policy was introduced by the Government of Madhya Pradesh to provide accommodation to tourism in cities and at places of tourist interest in Madhya Pradesh. In view of the same, the Applicant has introduced the concept of Home Stay for providing comfortable Home Stay facilities to the tourist, with an experience of local culture, cuisine etc. and to invite participation of people in providing such tourist's facilities to the visiting tourist.*
- b. *That it would be pertinent to mention here that during the course of argument, the Commission had raised various queries. In view of the same, it is submitted that the instant petition has been filed challenging the applicability of commercial Tariffs at homestays. It would be pertinent to mention here that the aforesaid scheme of charging Residential Tariff from Homestays is applicable in many States like Himachal Pradesh, New Delhi, Uttarakhand, Kerala & Gujrat.*
- c. *That the Applicant is charging GST only during the state of registration, being a registered Government Board. It is submitted that the Homestays are not the commercial units and hence there is no imposition of GST's on the revenue generated by Homestays. It is further submitted that the GST being a tax on the event of "supply", every supplier making taxable supplies needs to get registered. In view of the same, the GST is not applicable on the revenue generated through Homestays.*

5. During the hearing held on 09/11/2020, the Commission enquired in regard to petitioner's prayer for waiving off the amount levied on the registered Homestay vide notice dated 18.02.2019 as it transpired that said notice was issued by competent authority to the petitioner under provisions of Section 126 (Assessment) of the Electricity Act 2003. Under the provisions of section 126 of the Electricity Act 2003, the petitioner, instead of approaching the Commission is required to appeal in appropriate appellate authority as specified under section 127 (Appeal to Appellate Authority) of the Act.

6. The Commission has further observed that petitioner had not submitted any comments/suggestions in regard to change of tariff category of registered homestays from non-domestic to residential category in response to public notice dated 14.02.2020 vide which the Commission has invited comments of the stakeholders for determination of Retail supply tariff for FY2020-21 nor did they file any review petition against Retail supply tariff order for FY2019-20 as per Regulation 40 (2) (Review of the decisions, directions and orders) of MPERC(Conduct of Business Regulation) Rev-1, 2016 subject to fulfilment of the following conditions, namely-

- a. Discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the order was passed or;
- b. On account of some mistake or error apparent on the face of the record; or

c. Any other sufficient reason.

7. The Commission observed that the petitioner has failed to submit any cogent reason in accordance with aforesaid criteria for review of petition or any other specific provision for allowing the subject petition. Therefore, the subject petition is not maintainable in terms of the provisions under MPERC (Conduct of Business Regulation) Rev-1 ,2016 and the Electricity Act, 2003, hence stands disposed of.

**(Shashi Bhushan Pathak)**  
**Member (Law)**

**(Mukul Dhariwal)**  
**Member**

**(S.P.S. Parihar)**  
**Chairman**