



W.P.(MD)No.20814 of 2014

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED: 24.03.2026

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THE HONOURABLE MR.JUSTICE **HEMANT CHANDANGOUDAR**

W.P.(MD)No.20814 of 2014

and

M.P.(MD)No.1 of 2014

I.Vetrivel

... Petitioner

vs.

The Assistant Engineer (Distribution),
TANGEDCO,
Theppakulam, Madurai.

... Respondent

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Certiorari to call for the records relating to the impugned order of the respondent in K.No.VuMiPo/Mathu. Va.Vu.Ko/Thanikkai A.No.266/14 dated 02.12.2014 and to quash the same.

For Petitioner :Mr.VR.Shanmuganathan

For Respondent :Mr.S.Deenadhayalan



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ORDER

The petitioner challenges the order dated 02.12.2014 issued by the respondent, whereby the petitioner was called upon to pay a sum of Rs. 4,48,038/- for the period from 16.12.2008 to 07.12.2012 under LT Tariff V.

2. The petitioner was originally granted an electricity service connection under LT Tariff IIIB for running a unit engaged in concrete mixing activity. LT Tariff IIIB is applicable to industrial units. However, the respondent took the view that the petitioner's activity is commercial in nature and, on that basis, issued the impugned demand, reclassifying the service under LT Tariff V, which applies to commercial establishments.

3. Learned counsel for the petitioner submitted that the petitioner's unit has been duly recognised as a Small Scale Industry (SSI) by the Government of Tamil Nadu, Department of Industries and Commerce, and a certificate to that effect has been issued. It is contended that the



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activity of concrete mixing is an industrial activity and not a commercial one. Therefore, the application of LT Tariff V is illegal. In support of this contention, reliance was placed on the judgment of the Hon'ble Supreme Court in M/s. Larsen & Toubro Limited vs. Commissioner of Central Excise, wherein the distinction between different forms of concrete products was explained.

4. Per contra, learned counsel for the respondent submitted that the activity of mixing concrete does not result in the manufacture of a new product and is essentially commercial in nature. Hence, according to the respondent, the reclassification of the petitioner's service connection from LT Tariff IIIB to LT Tariff V is in accordance with the applicable regulations.

5. This Court has considered the rival submissions and perused the materials available on record.

6. It is not in dispute that the petitioner has been issued a valid SSI certificate by the competent authority, certifying that the unit is engaged



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in a manufacturing activity. Further, the petitioner has placed reliance on the proceedings of the Tamil Nadu Electricity Regulatory Commission dated 29.07.2005, wherein it has been clarified that services connected with units holding SSI certificates are generally to be classified under LT Tariff IIIB, whereas services without such certification or involving purely commercial activities fall under LT Tariff V.

7. The said position has been accepted by the Regulatory Commission. Therefore, once a unit is recognised as a Small Scale Industry, the applicable tariff category would ordinarily be LT Tariff IIIB.

8. The Hon'ble Supreme Court, in M/s. Larsen & Toubro Limited and another (cited supra), has held that the Legislature has treated ready-mix concrete and concrete mix as two distinct products. While concrete mix is generally covered under exemption notifications, such benefit is not extended to ready-mix concrete.

9. It was further observed that the distinction between ready-mix concrete and concrete mix is akin to that between a garment and a ready-



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made garment. Another analogy drawn was between home-made food and food ordered from a restaurant for delivery. Concrete mix prepared at the site is comparable to home-made food, whereas ready-mix concrete is akin to food delivered from a restaurant. Though both are ready for use, the former is entitled to beneficial treatment.

10. Though arguments were advanced as to whether concrete mixing constitutes “manufacturing”, this Court is of the view that it is not necessary to go into that question in detail in the present case. The crucial factor is that the petitioner holds a valid SSI certificate, and as per the applicable regulatory framework, such units are to be classified under LT Tariff IIIB.

11. In such circumstances, the action of the respondent in reclassifying the petitioner’s service connection under LT Tariff V and raising the impugned demand is not in accordance with the governing regulations and is therefore unsustainable.



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12. Accordingly, the writ petition is allowed and the impugned order dated 02.12.2014 is set aside. No costs. Consequently, the connected miscellaneous petition is closed.

Index :Yes / No
Internet :Yes / No
NCC :Yes / No

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HEMANT CHANDANGOUDAR, J.

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