THE HON'BLE SRI JUSTICE SANJAY KUMAR
AND
THE HON'BLE SRI JUSTICE M.GANGA RAO

WRIT APPEAL NO.1134 OF 2016

JUDGMENT: (per SK,J)

The appellant is the petitioner in W.P.No.34468 of 2015 which was dismissed by a learned Judge of this Court at the admission stage on the ground of maintainability. The appellant-petitioner has a service dispute with the Star Union Dai-Ichi Life Insurance Company Limited, which is admittedly a joint venture company floated by the Bank of India, the Union Bank of India and the Dai-Ichi Life Insurance Company Limited of Japan. The learned Judge was of the opinion that notwithstanding the fact that the banks played an active role in the respondent-Insurance Company, no public law element attached to it, whereby a writ petition could be maintained under Article 226 of the Constitution.

Sri G.Vidya Sagar, learned senior counsel appearing for Smt.K.Udaya Sri, learned counsel for the appellant-petitioner, would inform this Court that the Bombay High Court had occasion to consider the shareholding in Star Union Dai-Ichi Life Insurance Company Limited in Public Interest Litigation No.34 of 2013. A copy of the order dated 14.08.2014 passed by the Bombay High Court is placed on record.

Perusal thereof reflects that upon floating of the respondent-Insurance Company as a joint venture by the Bank of India, the Union Bank of India and the Dai-Ichi Life Insurance Company Limited of Japan, the Bank of India retained 48% of the shareholding in the joint venture company while Union of Bank of India had 26% leaving 26% to Dai-Ichi Life Insurance Company Limited, Japan.

Sri G.Vidya Sagar, learned senior counsel, would inform this Court that the very same shareholding pattern continued to hold the field even at the time of institution of the writ petition and thereafter, the banks seem to have reduced their joint shareholding from 74% to 54%. Therefore, even as on date, the banks continue to have majority shareholding in the joint venture company.

As to whether this majority shareholding of nationalised banks in the respondent-Insurance Company would have the impact of imparting to it the status of a State instrumentality therefore had to be examined.

However, perusal of the order under appeal reflects that the learned Judge did not even take note of the aforestated facts and straightaway dismissed the writ petition.

The writ appeal is accordingly allowed setting aside the order dated 21.07.2016 passed by the learned Judge dismissing W.P.No.34468 of 2015. The said writ petition is restored to the file and remanded for fresh consideration in the light of the aforestated facts pertaining to the shareholding in the respondent-Insurance Company. Upon such consideration, in the event the learned Judge finds that the writ petition is maintainable, the same shall be adjudicated on merits. All issues are left open to be dealt with in accordance with law.

Pending miscellaneous petitions, if any, shall stand closed in the light of this final order. No order as to costs.

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SANJAY KUMAR,J

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M.GANGA RAO,J

Date:03.12.2018

GJ