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**(1965) 11 MAD CK 0022**  
**In the Madras High Court**  
**Case No : Writ Petition No. 278 of 1965**

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|----------------------------------------------|----|------------|
| R. Lakshmi                                   | Vs | APPELLANT  |
| Neyveli Lignite Corporation Ltd. and Another |    | RESPONDENT |

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**Date of Decision :** 08-11-1965

**Acts Referred:**

Constitution of India, 1950 — Article 226

**Citation :** AIR 1966 Mad 399 : (1966) 36 CompCas 197 : (1966) 79 LW 165

**Hon'ble Judges :** Srinivasan, J

**Bench :** Single Bench

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## Judgement

(1) The petitioner was employed as a telephone operator in the Neyveli Lignite Corporation Ltd. She claims to have complained of misbehaviour

on the part of one Paramasivam, her immediate superior. Later, certain charges were framed against the petitioner and she was placed under

suspension. These charges dealt with her absence from duty and instanced certain wilful acts of insubordination. It is at this stage that the petitioner

has come to this court with a petition under Art. 226 with a prayer that the proceedings against her may be quashed. In the affidavit accompanying

her petition, she denies the substance of the charges. She further alleges that there are no valid reasons for placing her under suspension. She

claims that her request to allow her father to be present at the enquiry proposed to be conducted has been refused and that this denial prevents her

from effectively and fully defending herself, the more so for the reason that she herself had complained of an attempt at misbehaviour on the part of

a superior employee.

(2) On behalf of the Corporation, it is stated that the complaint of the petitioner against the said Paramasivam was examined and found to be

baseless. The other allegations contained in her petition are denied, particularly the suggestion of the petitioner that the entire machinery of the

Corporation aims at helping Paramasivam as against her. That apart, it is alleged that the respondent Corporation is fully within its rights in

launching a departmental enquiry against the petitioner and that no principles of natural justice have been violated. A further ground justice have

been violated. A further ground has been taken that the writ jurisdiction of this court cannot be invoked as the Corporation is not a public authority.

(3) As the last mentioned contention affects the maintainability of the petition itself, arguments were addressed on that aspect.

(4) Mr. K. Ramaswami, learned counsel for the petitioner, relies upon certain decisions in support of his contention that a writ can issue to the

respondent in the present case. It is not however denied by him that the Neyveli Lignite Corporation is not a body created by a statute. It is

nevertheless said that since the Government fully owns this company and it is a Government controlled organisation, the Companies Act, has

nevertheless the status of a public authority and its actions can be brought in for examination in the writ jurisdiction of this court.

(5) *Meena v. Madras University*, AIR 1958 Mad. 494 has been cited. That was a case where the petitioner sought for exemption from some of

the conditions for appearing for the B. T. Examination. This court observed that the Syndicate must be deemed to have the power and indeed the

duty to recommend suitable cases for exemption to the University. But it was accepted that the University is a public body which is vested with

such power. This decision did not examine the question of the scope of the writ jurisdiction in general with reference to non-statutory organisations,

though they might be public bodies in the sense that a public company is a species of public body. In *M.C. Vasudevan Vs. S.N.D.P. Yogam*, , the

learned Judges observed that merely because the disciplinary proceedings are by a domestic tribunal, the High Court is not denied of its jurisdiction

to interfere under Art. 226. Here again, they did not decide the question, for finally they dismissed the petition on the preliminary ground that the

case before them was not a fit case for the exercise of the jurisdiction. Other cases cited relate to proceedings of the Managing Committees of

schools aided by Government grant in aid, and courts have held that the decision of a domestic tribunal represented by such a Managing

Committee can be interfered with under Art. 226 on certain grounds. But these decisions proceed on the basis that a school is a public institution

and its Managing Committee is a public or quasi-public body and where such a body was enjoined to perform certain functions involving what

amount to decisions on a dispute, it had to discharge them in good faith and in accordance with the principles of natural justice. The Board of High

School and Intermediate Education U.P. Vs. Bagleshwar Prasad and Others, deals with a case of an enquiring committee set up to deal with

students, who adopted unfair means at the examinations. An enquiry conducted by a domestic tribunal constituted for such a purpose was however

to be noticed that this domestic tribunal was functioning under the authority and direction issued by the University itself, which is a statutory body.

(6) I am unable to agree that these decisions meet the point in this case. This is admittedly a case of an employer conducting certain disciplinary

proceedings against the employee. The employer is a company registered under the Companies Act. The fact that the company is wholly

Government owned does not alter its character in the eye of law. For the reason that it is Government owned, it does not purport to exercise any

authority conferred upon it by the Government. It is not performing any statutory duties.

(7) Mr. S. Gopalaratnam learned counsel for the respondent has referred to In Re: Gadea Nagabhushana Reddi and Another, in which a writ of

prohibition sought against the All India Congress Committee in connection with its proceedings for election was refused. C. Lakshmiah Reddiar

Vs. The Sri Perumbadur Taluk Co-operative Marketing Society Ltd., dealt with the proceedings of the Board of Directors of a Co-operative

Society. The Board was considering the objections to nominations for the election of members. It was held that it was not a statutory tribunal with

authority to determine the rights of parties, though it was bound by certain regulations which had been framed by the Society itself. The regulations

having no statutory force, the learned Judges held that Art. 226 could not be invoked to quash the proceedings of such a body. A case somewhat

similar to the present case arose in In Re: V.S. Hariharan, . The Hindustan Shipyard Co. is a company registered under the Indian Companies Act,

but the Government of India subscribed 80 per cent of its share-capital. Large subsidies and advances were being given by the Union Government.

The argument that for these reasons the Government of India must be regarded as having a controlling and administrative authority over the

company did not in the opinion of the learned Judge affect the jural character of the company. It was held that it could not be regarded as a judicial

or a quasi judicial tribunal or public or statutory authority discharging judicial or quasi judicial functions.

(8) I am not impressed with Mr. Ramaswami's argument that if the veil of corporate entity is pierced in this case, it would show that the Neyveli

Lignite Corporation is nothing other than a Government organisation. This argument cannot possibly be accepted. There is more than one decision

of the Supreme Court which establish that the entity of the Corporation is entirely separate from that of its shareholders. Unless Mr. Ramaswami is

able to show that all the administrative actions of the Corporation are controlled by the Government, he cannot successfully establish that the

Corporation is a public authority. Nor am I satisfied that the proceedings of a domestic Tribunal of a private body can be brought under challenge

under Art. 226. It is impossible to say that when an employer is engaged in taking disciplinary proceedings against its employee, he is deciding any

dispute whatever. I am accordingly of the opinion that the petition has to fail on the ground that the writ jurisdiction of this court cannot be

extended to a case of this kind.

(9) The petition is dismissed, but there will be no order as to costs.

(10) Petition dismissed.