

[3491]

HIGH COURT FOR THE STATE OF TELANGANA AT HYDERABAD
WEDNESDAY, THE SIXTH DAY OF MAY TWO THOUSAND AND TWENTY SIX
:PRESENT:

THE HONOURABLE JUSTICE MOUSHUMI BHATTACHARYA
AND
THE HONOURABLE SRI JUSTICE GADI PRAVEEN KUMAR
I.A.No.1 OF 2026
IN
WA NO: 513 OF 2026

Between:

1. Can Fin Homes Ltd., Rep. by its Managing Director, Regd. Off. No. 29/1, Sri M. N. Krishna Rao Road, Basavangudi, Bangalore – 560004.
2. Chairman, Audit Committee, Can Fin Homes Ltd., Sri M.N. Krishna Rao Road, Basavangudi, Bangalore – 560004.
3. Dy. General Manager, Canara Bank and DMD, Can Fin Homes Ltd., Registered Office, Sri M.N. Krishna Rao Road, Basavangudi, Bangalore – 560004.

...Appellants

(Appellants in WA.NO.513 OF 2026
on the file of High Court)

AND

1. Manoj K. Badal, S/o. Dr. Binod Narayan, Aged about 49 years, Flat No.301, III Floor, Asmangadh, Malakpet, Hyderabad.
2. The Central Vigilance Commission, Rep. by Central Vigilance Commissioner, Satarkata Bhavan, A Block, GPO Complex, New Delhi – 110023.
3. The Chief Vigilance Officer, Canara Bank, Vigilance Wing, III Floor, Head Office, No.112, J.C. Road, Bangalore – 560002.
4. Reserve Bank of India, Fort Glacis, 16, Rajaji Road, Fort St. George, Chennai, Tamil Nadu – 600001.
5. The Commissioner of Police, Rachakonda Police Commissionerate Office, Ramakrishnapuram Post, Near Malkajgiri Court Complex, Shiva Nagar Colony, Vayupuri, Neredmet, Secunderabad, Telangana – 500056.
6. The Inspector of Police, Malakpet Police Station, Opp: Moosarambagh Metro Station, Adjacent to TV Tower, Malakpet, Hyderabad, Telangana – 500036.
7. Canara Bank, Rep. by its Managing Director, Chairman of Can Fin Homes Board, Regd. Office No.112, J.C. Road, Bangalore, Karnataka.

(Respondent Nos.2 to 7 are not necessary parties in this petition).

...RESPONDENTS

(Respondents in-do-)

**Counsel for the Appellants: SRI. AVINASH DESAI Senior Counsel representing
SRI. DISHIT BHATTACHARJEE**

Counsel for the Respondent No.1 : Ms. C. RAKEE SRIDHARAN

Counsel for the Respondent No.7 : SRI. N. PAVAN KRISHNA REDDY

Petition under Section 151 of C.P.C praying that in the circumstances stated in the affidavit filed in support of the writ petition, the High Court may be pleased to stay all further proceedings pursuant to the order dated: 10.04.2026 passed in W.P.No.30421 of 2025, pending disposal of WA.No.513 of 2026, on the file of the High Court.

The court while directing issue of notice to the Respondents herein to show cause as to why this application should not be complied with, made the following.
(The receipt of this order will be deemed to be the receipt of notice in the case).

ORDER: *(per Hon'ble Justice Gadi Praveen Kumar)*

Heard Sri Avinash Desai, learned Senior Counsel representing Sri Dishit Bhattacharjee, learned counsel appearing for the appellants, Ms.C.Rakee Sridharan, learned counsel appearing for the respondent No.1/Writ petitioner and Sri A.Venkatesh, learned Senior Counsel representing Sri N.Pavan Krishna Reddy, learned counsel appearing for the respondent No.7.

2. The present Writ Appeal is filed assailing the order dated 10.04.2026 passed by a learned Single Judge of this Court in W.P.No.30421 of 2025 allowing the Writ Petition directing respondent Nos.2 to 4 herein to conduct an enquiry with regard to the complaint dated 25.02.2025, 04.03.2025 (via email), 15.05.2025 and 01.08.2025 filed by the Writ petitioner in accordance with law.

3. The prayer in the present I.A.No.1 of 2026 is filed seeking to stay all further proceedings pursuant to the impugned order, pending disposal of the Writ Appeal.

4. Sri Avinash Desai, learned Senior Counsel appearing for the appellants contends that appellant No.1 is a private Housing Finance Company governed by the provisions of the Companies Act, 2013, that the shareholding of Canara Bank in appellant No.1 is only 29.99% while the remaining shareholding vests in public and institutional investors. He therefore contends that the minority shareholding does not confer deep and pervasive State control, and the appellant No.1 does not come under "instrumentality of State" within the meaning of Article 12 of the Constitution of India.

5. Learned Senior Counsel appearing for the appellants points out that respondent No.1/Writ petitioner earlier approached this Court by filing W.P.No.18485 of 2025 challenging the suspension order dated 02.06.2025

passed by respondent No.4, and in the said Writ Petition, I.A.No.2 of 2025 was filed to direct the respondents therein to grant protection to the Writ Petitioner as a Whistle Blower under the Whistle Blowers Protection Act, 2014 and to restrain the respondents therein from taking any coercive and retaliatory action. The Learned Single Judge, while dismissing the said Writ Petition on 26.09.2025, held that since Appellant No.1 herein is neither State nor instrumentality of the State within the ambit of Article 12 of the Constitution of India, it is not amenable to writ jurisdiction.

6. Learned Senior Counsel appearing for the appellants has drawn the attention of this Court to the decision of the Hon'ble Supreme Court in *S.Shobha Vs. Muthoot Finance Ltd.*¹ wherein the said judgment does not authorize conversion of every private employment dispute into a public law matter merely because allegations are couched in terms of unfairness or misconduct, and that the "public function" test remains applicable; it is contended that the Ld. Single Judge erred in relying on the said decision and failed to consider the settled "public function" test, inasmuch as the business of housing finance carried on by Appellant No.1 is a commercial activity undertaken by several private sector entities in a regulated field, and mere regulatory supervision by statutory bodies does not transform such commercial activity, or the internal HR and service matters arising

¹ 2025 SCC OnLine SC 177

therefrom, into a public function so as to attract writ jurisdiction, thereby rendering the assumption of writ jurisdiction legally untenable in the absence of any finding that Appellant No.1 was discharging a public function in relation to the dispute at hand.

7. Therefore, it is contended that the learned Single Judge ought not to have entertained the Writ Petition.

8. Sri A.Venkatesh, learned Senior Counsel appearing for the respondent No.7 adopts the contentions raised by learned Senior Counsel appearing for the appellants.

9. On the other hand, learned counsel appearing for the respondent No.1/Writ petitioner submits that the impugned order passed by the learned Single Judge is just and reasonable and that the prayer in the Writ Petitioner is to conduct a fair and impartial enquiry into the Whistleblower's complaints.

10. Learned counsel for respondent No.1 reiterates that the higher authorities of appellant No.1 especially GM-HR showed favouritism in appointing his preferred candidates for the posts and instructed the Writ petitioner to select them, and in good faith and risking the employment of Writ petitioner, he acted in the best interest of the Organization and the public by submitting a whistle blowing report via email under appellant

No.1 Whistleblower Policy, and that the learned Single Judge having appreciated the facts, allowed the Writ Petition.

11. We have given our earnest consideration to the contentions urged on either side.

12. It is to be noted at the outset that the issue as to whether appellant No.1 falls within the ambit of "State" under Article 12 of the Constitution of India has already been conclusively adjudicated in the earlier round of litigation in W.P.No.18485 of 2025 wherein the Writ Petitioner had not only challenged the suspension order but had also filed I.A.No.2 of 2025 seeking substantially similar reliefs, namely, to direct the respondents to extend protection to him as a whistleblower under the Whistle Blowers Protection Act, 2014 and to restrain them from taking any coercive or retaliatory action.

13. The learned Single Judge, while dismissing the above said Writ Petition by order dated 26.09.2025, declined to grant the reliefs sought in the interlocutory application as well, having categorically held that appellant No.1 is neither a "State" nor an "instrumentality of the State", and therefore not amenable to writ jurisdiction. The said finding has attained finality, and the legal position stands clearly settled between the parties.

14. In fact, the reliance placed on the judgment in *S. Shobha* (supra) further reinforces this position, as it reiterates that private financial institutions engaged in commercial activities, even if regulated, do not ipso facto perform public functions so as to attract writ jurisdiction. Thus, both precedent and prior adjudication unequivocally establish that appellant No.1 does not fall within the scope of Article 12.

15. Thus, the relief now sought in W.P.No.30421 of 2025, though couched in a slightly different form as a direction to conduct an enquiry into the whistleblower complaints, is in substance and effect akin to the reliefs earlier sought in the interlocutory application in the previous writ petition. The attempt of the Writ Petitioner, therefore, appears to be to re-agitate the very same issues which stood concluded in the earlier proceedings.

16. In such circumstances, the learned Single Judge, while dealing with W.P.No.30421 of 2025 arising out of substantially similar facts and reliefs ought to have taken note of the earlier adjudication, including the rejection of similar interim reliefs, and exercised judicial restraint declining to re-examine an issue that already stood concluded. Entertaining the writ petition, without returning any finding to dislodge or distinguish the earlier determination on Article 12, amounts to a clear departure from settled principles governing judicial discipline and consistency.

17. Therefore, prima facie, the matter requires consideration.

18. In view of the above, this Court is satisfied that a case for interim protection is made out. Accordingly, there shall be a stay of all further proceedings pursuant to the order dated 10.04.2026 passed in W.P.No.30421 of 2025, pending disposal of the present Writ Appeal.

19. Learned counsel appearing for the respondent No.1 prays time to file counter-affidavit.

20. List this matter on 15.06.2026.

21. Till such time, the impugned order dated 10.04.2026 passed in W.P.No.30421 of 2025 is hereby stayed.

Sd/- MOHD.ISMAIL
DEPUTY REGISTRAR

//TRUE COPY//

SECTION OFFICER

To,

1. One CC to SRI. DISHIT BHATTACHARJEE, Advocate [OPUC].
2. Two spare copies

HIGH COURT

MB,J & GPK,J

DATED: 06-05-2026

LIST ON 15.06.2026

ORDER

**I.A.No.1 OF 2026
IN
WA NO: 513 OF 2026**

INTERIM STAY

