

THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

WRIT PETITION Nos.1420, 1421 & 1428 of 2019

ORDER::

These three writ petitions are filed challenging the legality of the show cause notice dated 09-01-2019 whereby and whereunder the respondent-M/s. REC Limited required the petitioners to show cause as to why they should not be declared for the reasons stated therein as *wilful defaulters* of the loan availed by them from the respondent and subject them to civil and criminal proceedings in terms of applicable laws.

02. The subject matter is same in these cases, hence heard together and with the consent of the learned senior counsel appearing for the parties and in the light of the directions contained in the order dated 12-04-2019 passed by the Hon'ble Supreme Court, the matters are being disposed of finally.

03. The facts stated are:-the petitioners as directors of M/s.Ind-Bharat Power (Madras) Limited, ("the Company", for short) availed credit facilities from the respondent-M/s.REC

Limited and IIFCL and Power Finance Corporation (PFC), and the aggregate quantum of credit facilities availed by the Company is to the tune of Rs.947.71 crores for setting up a coal-based thermal power project in Tuticorin District in the State of Tamil Nadu. The respondent is one of the core lenders of the consortium of lenders. That out of the credit facility disbursed, an amount of Rs.416.21 crores was disbursed by the respondent. That an amount of Rs.577.89 crores was used by the Company to create FDs with nationalised banks to obtain loans for the group companies (sister concerns) viz., M/s.Ind-Barath Power Gencom Private Limited, M/s.Ind-Barath Energies Maharashtra Limited, M/s.Ind-Barath Power Infra Ltd., Sriba Seabase Private Limited and Arkay Energy Rameswaram, and lien was created by the Company on the FDs and eventually these FDs were liquidated to pay off the debt obtained by the sister concerns of the Company. Petitioners' case is that the impugned show cause notice issued by respondent is barred by delay and laches and is issued for collateral purposes in suppression of material facts as the entire show cause notice is silent about the Corporate

Insolvency Resolution Process (CIRP) initiated before the National Company Law Tribunal ("NCLT" for short) and the alleged mis-utilisation of the funds in question by the Company referred to in the show cause notice were well within in the knowledge of respondent as long back as on 15-09-2015 and all these facts were taken judicial note by the NCLT, Hyderabad, in its order passed on 08-05-2018 in various applications filed by the respondent through resolution professionals. That the show cause notice is not pointing out to any specific circumstance in seeking to declare the petitioners as wilful defaulters and it is settled principle of law that a show cause notice must be clear and if there is no clarity in the show cause notice, an effective explanation cannot be submitted and hence the show cause notice itself is liable to be quashed as already criminal proceedings in FIR No.196 of 2018 were initiated basing on same set of facts. It is therefore stated that the impugned show cause notice is arbitrary and without jurisdiction. Hence, these writ petitions.

04. In the counter affidavit filed by the respondent, *inter alia*, it is stated that the respondent is a government owned

company, which is duty bound to protect the public funds and initiation of steps against the petitioners and the Company including the instant proceedings to declare them as wilful defaulters are steps in that direction. That following the guidelines issued under the Master Circular dated 01-07-2015, the (First Level Committee) comprising of EDs/GMs level officers after considering the overwhelming evidence against the Company approved issuance of show cause notice and rightfully called for the explanations of the petitioners as to why they should not be declared as wilful defaulters. That while undertaking the review of the project, the lenders, in lenders meeting held on 21-04-2016 had expressed serious concerns on tardy implementation of the project and parking of sanctioned funds in the form of FDs by the Company though under the terms of amended Trust & Retention Account Banker (TRA) agreement the surplus or un-utilized funds were to be invested in some permitted investments. That the petitioner cannot be permitted to contend that the show cause notice does not bind her as she resigned from the position of the director in the year 2017, in the light of the fact

that siphoning of funds to the sisters concerns took place much prior to the date of resignation. That the petitioners having received the show cause notice confirmed to the respondent that they would reply within the stipulated time period of 15 days. That the writ petitions are premature as neither of the rights of the parties are decided nor any declaration is made in respect of the petitioners and it is only a show cause notice and the petitioners have ample opportunity to put forth their case. That the Master Circular dated 01-07-2015 issued by the RBI applied to the respondent since the respondent is registered under the provisions of Reserve Bank of India (RBI) Act, 1934.

05. Reply to the counter affidavit is filed by the petitioners contending that a dispute can never be allowed to be decided by a party to the dispute and in a dispute, as in the instant case, the lender cannot decide and declare the borrower as wilful defaulter and thereby blacklist the borrower from the commercial world and prevent the borrower from availing credit facilities from other lenders. That when once the matter is seized by NCLT and initiated criminal proceedings in FIR

No.196 of 2018, the respondent incurred a disqualification to exercise its authority in seeking to declare the petitioners as wilful defaulters. That in an application filed by respondent *i.e.* in IA No.41 of 2019 in CP (IB) No.150/9/HDB/2017 before the NCLT, the NCLT has rejected the allegation of diversion of money/siphoning of funds from TRA account for other purposes and in the light of the said order, the respondent cannot act as appellate jurisdiction over the finding recorded by the judicial forum and such a course would be contrary to the Rule of Law. That the committee which has issued the impugned show cause notice has no legal propriety as any decision by the Committee, who are none other than the officers of the respondent are bound to be in favour of the respondent and against the interest of the petitioners. That the allegations in the show cause notice are in the nature of subjective opinion of the respondent, thus no amount of explanation can erase or dilute the opinion which has been formed unilaterally and the show cause notice is issued with closed mind and calling for explanation is an empty formality.

06. Heard learned senior counsel Sri Vedula Venkataramana, Sri D. Prakash Reddy appearing for the petitioners on behalf of Sri Vikram Pooserla, learned counsel for the petitioners and Sri S. Niranjan Reddy, learned senior counsel appearing for respondent on behalf of Sri Amir Bavani, learned counsel for the respondent.

07. Learned senior counsel appearing for petitioners contended that the impugned show cause notice is without jurisdiction, as Master circular following which the notice is issued is traceable to the power under Section 35A of the Banking Regulation Act, 1949, and such power can be exercised by the banking companies only. It is contended that the show cause notice issued lacks specific details to enable the petitioners to submit an effective explanation and, therefore, it is in violation of principles of natural justice. It is stated that the respondent has already concluded that there is overwhelming evidence against the Company and its directors to declare them as wilful defaulters and issuance of show cause notice is nothing but only an empty formality. It is also submitted that the show cause notice is unsustainable being

contrary to the procedure laid down for identification of wilful defaulters as laid down at para 3 (b) of Master circular dated 01-07-2015. It is stated that the proceedings initiated by the respondent against the Company before the National Company Law Tribunal (NCLT) ended in favour of the petitioners holding that there is no fraudulent act committed by the Company to defraud the respondent. Having initiated the criminal proceedings against the Company before the Economic Offences Wing (EOW), Delhi Police, for investigation into diversion/siphoning off funds by the Company and its promoters under the provisions of Indian Penal Code (IPC) and Criminal Procedure Code (CrPC), issuance of the impugned show cause notice, at this stage, amounts to compelling the petitioners to disclose their defence which is violative of Article 20 (3) of the Constitution of India. At any rate, after initiating proceedings before NCLT and criminal proceedings, the respondents would have waited till conclusion of those proceedings by judicial authority instead of pre-judging the issue. It is also submitted that the First Level Committee has to issue show cause notice, but in this case respondent no.2

issued the show cause notice, which is without jurisdiction.

Reliance is placed on the decisions in **STATE OF KARNATAKA vs. SHAREE RAMESHWARA RICE MILLS¹**, for the proposition that no one should be a judge in his own case and in **ORYX FIRSHERIES PVT. LIMITED vs. UNION OF INDIA²** for the proposition that a show cause notice is liable to be set aside if it has been issued with a pre-decision and closed mind.

08. Learned senior counsel appearing for the respondent, on the other hand, would submit that the impugned show cause notice is well within the jurisdiction since the respondent is registered under the Reserve Bank of India (RBI) Act, 1934. Under Section 45M (a) of the RBI Act, 1934, it is clearly stipulated that the respondent shall be required to comply with all the directions, guidelines/instructions issued by the RBI from time to time. Learned senior counsel also submits that the Master circular 01-07-2015 defines the term “*lender*” which includes and covers all the banks/financial institutions. It is further submitted that under Section 45I(a) of the RBI Act, “*business of a non-banking financial institution*” which refers to

¹ 1987 (2) SCC 160

² 2010 (13) SCC 427

carrying on the business of a financial institution and the term “*financial institution*” is defined under RBI Act, 1934 under section 45I(c), therefore the RBI Circular defining lenders as a financial institution fall under the RBI Act, 1934. It is also submitted that the respondent has only issued show cause notice to the petitioners and the impugned notice gives an opportunity to the petitioners to explain their case and on explanation being submitted by the petitioners, the First Level Committee after forming an opinion decides whether the petitioners be declared as wilful defaulters in case if it is found in the affirmative passes an order and sends it to the Second Level Review Committee and after the Second Level Review Committee, confirms the same, then alone the petitioners can be declared as wilful defaulters and the impugned proceeding is only a show cause notice and not a final order and no rights of the petitioners are either affected or decided at this stage. It is also contended that the criminal proceedings initiated by the lenders including the respondent by filing an FIR against the petitioners as also the proceedings before the NCLT are for different purposes and the nature and scope of

these proceedings is different and each proceeding achieve a specific purpose.

09. Be it noted that the writ petitions came up for admission before this Court on an earlier occasion, by order dated 29-01-2019, this Court granted interim suspension for a period of eight weeks, extended from time to time, the respondent preferred writ appeals wherein the Division Bench of this Court while affirming the view of the learned single Judge that *prima facie* case and balance of convenience is in favour of the petitioners, without expressing any opinion on the merits of the matter, desired that the above writ petitions be listed for consideration of the interim relief or final hearing thereof. Against the said order, matter was carried to Hon'ble Supreme Court and by order dated 12-04-2019, in SLP, the Hon'ble Supreme Court, while adjourning the matter for four weeks, meanwhile required that the writ petitions be heard and disposed of finally.

10. Having noted the averments set out by the parties in their respective pleadings and having heard the learned senior

counsel appearing for the parties, the following points arise for consideration:-

- i) Whether the show notice is without jurisdiction;*
- ii) whether the show notice is issued with pre-determined opinion and closed mind in concluding that there is overwhelming evidence against the petitioners to declare them as wilful defaulters even before considering their explanation;*
- iii) Whether the impugned show cause notice is legally maintainable in the light of the proceedings before the NCLT and criminal proceedings before the Economic Offences Wing (EOW) when subject matter in issue before those forums is one and the same; &*
- iv) whether the respondent by issuing the impugned show cause notice have acted in their own case and violated the established principle of law ?*

i) POINT OF JURISDICTION ::

11. The impugned show cause notice refers to Master circular on “wilful defaulters” issued by the Reserve Bank of India. The respondent which is a Central Government Corporation registered under the Reserve Bank of India Act, 1934. Under Section 45M of the RBI Act the respondent is required to comply with all the guidelines/instructions issued by the RBI from time to time. Clause 2.1.1. of the Master

circular defines the term “*lender*” which includes all the banks/financial institutions to which any amounts are due. Section 45I of the RBI Act defines the term “financial institution”. Section 45I (a) defines business of a non-banking financial institution. It is the case of the respondent that Master circular has been adopted in its true spirit in line of the advisory given by the Reserve Bank of India. It is to be seen that a mechanism is provided under the Master circular on wilful defaulters and to identify them as such. There is no denial of the fact of availing funds by the petitioners from the respondent and others. The contention of the learned senior counsel that the mechanism that is stipulated under the Master circular can be exercised only as against the banks under Section 35A of the Banking Regulation Act, 1949 cannot be countenanced in the light of the fact that respondent is a financial institution. The contention that Master circular cannot be adopted unilaterally is not required to be considered as the respondent is governed by the Master circular dated 01-07-2017 issued by the RBI and is required to comply with all the directions, guidelines/instructions issued by the RBI

from time to time and it has jurisdiction to invoke the Master circular. Though the contention that the show cause notice is not issued by First Level Committee is not raised in the pleadings of the writ petition, but when record is called for it is found that show cause notice is issued on the authorization of First level Committee by one of the members of the Committee, as such the said contention has no merit.

ii) SHOW CAUSE NOTICE ISSUED WITH PRE-DETERMINED AND CLOSED MIND THEREBY VIOLATED PRINCIPLES OF NATURAL JUSTICE ::

12. It is to be seen that a mechanism is provided under the Master circular in issuing the impugned show cause notice to declare the borrower/s as wilful defaulters and such a mechanism is followed or not. Clause 3 (a) and (b) provides for mechanism for identification of “wilful defaulters”, which is as follows:-

“3. Mechanism for identification of wilful defaulters

The mechanism referred to in paragraph 2.5 above should generally include the following:

- (a) *The evidence of wilful default on the part of the borrowing company and its promoter/whole-time director at the relevant time should be examined by*

Committee headed by an Executive Director or equivalent and consisting of two other senior officers of the rank of GM/DGM.

- (b) *If the Committee concludes that an event of wilful default has occurred, it shall issue a show cause notice to the concerned borrower and the promoter/whole time director and call for their submissions and after considering their submissions issue an order recording the fact of wilful default and the reasons for the same. An opportunity should be given to the borrower and the promoter/whole time director for a personal hearing if the Committee feels such an opportunity is necessary.*
- (c) *The Order of the Committee should be reviewed by another Committee headed by Chairman/Chairman and Managing Director or the Managing Director and Chief Executive Officer/CEOs and consisting, in addition, to two independent directors/non-executive directors of the bank and the Order shall become final only after it is confirmed by the said Review Committee. However if the identification committee does not pass an order declaring a borrower as a wilful defaulter, then the Review Committee need not set up to review such decisions.” (emphasis supplied)*

13. After perusal of the above clause it is understood that the evidence of wilful default on the part of the borrowing company and its promoters is to be examined by the First Level Committee headed by an Executive Director and two other senior officers the rank of GM/DGM. A perusal of the record produced by the respondent counsel goes to show that

the First Level Committee consisting of ED (Admin), Head of the Committee, ED (Fin.) (Member), ED (PSPM) (Member) and GM (Law) (Member) *inter alia* having examined the facts and supporting documents brought on record came to the conclusion that the petitioners have defaulted and mis-utilized the loans advanced by the consortium of lenders, the respondent being the lead lender, and having satisfied that there is over whelming evidence indicating diversion/siphoning off funds by the borrowers issued the impugned show cause notice. The subjective satisfaction recorded by the First Level Committee is in tune with the requirement under sub-clause (b) of Clause 3 of the Master circular which states that the Committee to conclude, based on the evidence brought on record, that an event of wilful default has occurred, then it shall issue a show cause notice to the concerned borrower/s. The subjective satisfaction arrived at in any way cannot be construed as expressing an opinion on the merits of the matter and it is only a requirement to show cause the borrowers who are susceptible to be declared as wilful defaulters. Issuance of show cause

notice itself does not brand the borrowers as the wilful defaulters unless it is declared so by the First Level Committee after following para 3 (b) of the Master circular, must give its order to the borrower as soon as it is made, the borrower can then represent against such order within a period of 15 days to the Review Committee and such written representation can be a full representation on facts and law (if any). The Review Committee must then pass a reasoned order on such representation which must then be served on the borrower. (see **SBI vs. JAH DEVELOPERS PVT. LTD.** (Civil Appeal No.4776 of 2019). In the instant case, at this stage no rights of the parties either decided or declared and therefore there is no element of pre-judging the issue by the respondent and no substance in the contention of the petitioners' counsel that it is an empty formality and there is violation of principle of natural justice and the decisions in **SHAREE RAMESHWARA RICE MILLS's** case & **ORYX FIRSHERIES PVT. LIMITED's** (1 & 2 supra) case are not applicable to the facts of the present case.

14. The Supreme Court in catena of decisions, to cite a few, relied on by the learned senior counsel for the respondent in **UNION OF INDIA vs. KUNISSETTY SATYANARAYANA**³; **SPECIAL DIRECTOR vs. MOHD GHULAM GHOUSE**⁴ held that the writ Court should not interfere at the stage of issuance of show cause notice by the authorities and the writ petitioner should invariably be directed to respond to the show cause notice and take all stands highlighted in the writ petition. Recently, Hon'ble Supreme Court in **JAH DEVELOPERS PVT LTD's** case in similar fact situations, ruled that if a unit has defaulted in making its payments obligations even when it has the capacity to honour the said obligations; or that it has borrowed funds which are diverted for other purposes, or siphoned off funds so that the funds have not been utilised for the specific purpose for which the finance was made available, then wilful defaulter proceedings can be initiated. In the circumstances, it cannot be said that the impugned show cause notice is issued with pre-determined mind and the points are answered accordingly.

³ (2006) 12 SCC 28

⁴ (2004) 3 SCC 440

iii) LEGALITY OF THE IMPUGNED SHOW CAUSE NOTICE IN THE LIGHT OF THE PROCEEDINGS BEFORE THE NCLT AND BEFORE THE EOW AS SUBJECT MATTER BEFORE ALL THE FORUMS IS SAME ::

15. It is also a matter of record that the proceedings before the NCLT in IA Nos.40 and 41 of 2018 filed by the committee of creditors including the respondent herein came to be dismissed by order dated 08-05-2018. The operative portion of the order is in the following terms:-

“In view of the above discussion this Adjudication Authority is of the considered view that sufficient material is not placed on record by the resolution applicant to give a finding that the controversial transactions in this case amounts to fraudulent trading with intent to defraud creditors of the corporate debtors”

16. It is also a matter of record in fact recorded in para 16 of the show cause notice, which is set out hereunder:-

“16. Alarmed by the diversion and siphoning of Lenders’ funds by the Company and its Directors, the lenders have already registered an FIR with the Economic Offences Wing of the Delhi police to investigate commission of various criminal offences. The lenders have already recalled the entire financial assistance sanctioned to the company on 8.3.2017 and the account has been categorized as NPA in REC’s books since December 2016”

The above extract refers to initiation of criminal proceedings initiated by the lenders (including the respondent) by filing an

FIR on 03-10-2018. It is to be seen that the proceedings pending before the NCLT are within the scope of Insolvency & Bankruptcy Code, 2016, which aims to bring back funds which have been allegedly siphoned off or diverted so as to achieve the maximization of the assets of the corporate debtor. The criminal proceedings initiated for punishing the guilty under the penal provisions under the Indian Penal Code. The Hon'ble Supreme Court in **SYED ASKARI HADI ALI AUGUSTINE IMAM vs. DELHI ADMINISTRATION**⁵ observed that in a given case civil as also criminal proceedings may proceed simultaneously and the question as to whether in the facts and circumstances of the case one or the other proceedings would be stayed would depend upon several factors including the nature and the stage of each case. A Constitutional Bench of the Supreme Court in **M.S.SHERIFF vs. STATE OF MADRAS**⁶ held that where civil and criminal cases are pending, precedence shall be given to criminal proceedings. Detailing the reasons for the conclusions, the Court held at paras 15 & 16:-

⁵ (2009) 5 SCC 528

⁶ AIR 1954 SC 397

15. *As between the civil and the criminal proceedings we are of the opinion that the criminal matters should be given precedence. There is some difference of opinion in the High Courts of India on this point. No hard and fast rule can be laid down that we do not consider that the possibility of conflicting decisions in the civil and criminal Courts is a relevant consideration. The law envisages such an eventuality when it expressly refrains from making the decision of one Court binding on the other, or even relevant, except for certain limited purposes, such as sentence or damages. The only relevant consideration here is the likelihood of embarrassment.*

16. *Another factor which weights with us is that a civil suit often drags on for years and it is undesirable that a criminal prosecution should wait till everybody concerned has forgotten all about the crime. The public interests demand that criminal justice should be swift and sure; that the guilty should be punished while the events are still fresh in the public mind and that the innocent should be absolved as early as is consistent with a fair and impartial trial. Another reason is that it is undesirable to let things slide till memories have grown too dim to trust.*

17. In **TRANSCORE vs. UNION OF INDIA**⁷, the requirement of doctrine of election was the discussed at para 64 by the Hon'ble Supreme Court which is set out below:-

"64. In the light of the above discussion, we now examine the doctrine of election. There are three elements of election, namely, existence of two or more remedies; inconsistencies between such remedies and a choice of one of them. If any one of the three elements is not there, the doctrine will not apply. According to American Jurisprudence, 2d, Vol. 25, p. 652, if in truth there is

⁷ (2008) 1 SCC 125)

only one remedy, then the doctrine of election does not apply. In the present case, as stated above, the NPA Act is an additional remedy to the DRT Act. Together they constitute one remedy and, therefore, the doctrine of election does not apply. Even according to Snell's Principles of Equity (31st Edn., p. 119), the doctrine of election of remedies is applicable only when there are two or more co-existent remedies available to the litigants at the time of election which are repugnant and inconsistent. In any event, there is no repugnancy nor inconsistency between the two remedies, therefore, the doctrine of election has no application."

18. The **Doctrine of Election** suggests that when two remedies are available for the same relief, the party to whom the said remedies are available has the option to elect either of them but that doctrine would not apply to cases where the ambit and scope of the two remedies is essentially different. However, as observed by the Hon'ble Supreme Court in **M.S.SHERIFF's** case (6 supra) the only relevant consideration here is the likelihood of embarrassment. In view of the same the impugned show cause notice cannot be quashed on the ground of pendency of the proceedings before the NCLT as also criminal proceedings.

iv) WHETHER THE RESPONDENT BY ISSUING THE IMPUGNED SHOW CAUSE NOTICE HAVE ACTED IN THEIR OWN CASE AND VIOLATED THE ESTABLISHED PRINCIPLE OF LAW ::

19. One of the contentions canvassed by the senior counsel appearing for the petitioners was that nobody should be allowed to be judge in their own cause which is based on the maxim, *Nemo judex in causa sua*, a dictum that translated into a principle of law that “no one should be a judge in his/her own cause”. It is to be seen that the respondent vests with the authority to proceed under the Master circular and they acted in their official capacity and unless there is reliable evidence to show that their action is biased. Merely the officers of the First Level Committee are named to be the authority to decide whether there is prima facie evidence to show cause by itself does not bring into operation the doctrine in play. The First level Committee Members are not personally interested in the transaction. There is no question of any bias or conflict between their interest and their corollary duty.

20. In **MARDIA CHEMICALS LTD. Vs. UNION OF INDIA**⁸ the Hon’ble Supreme Court held that Courts have limited and minimal scope in the policies pertaining to the finance and the Courts should examine the question by generalities and not

⁸ (2004) 4 SCC 311

crudities or inequities or by possibility of abuse of provision.

The Delhi High Court in **SUDARSHAN OVERSEAS LTD. Vs.**

RESERVE BANK OF INDIA⁹ while upholding the

Constitutionality of the Master circular dated 2-7-2007 (pre-

amended) observed that mere categorization as a *wilful*

defaulter does not entitle the bank/financial institution to

immediately recover their due from the said borrower.

Proceedings in accordance with law have to be initiated and

thereupon recovery has to be effected. The order passed by the

banks or financial institutions declaring a borrower a wilful

defaulter is an administrative or a quasi-judicial order. The

doctrine that no man can be a judge in his own cause has its

limitation and exceptions. **SUDARSHAN OVERSEAS LTD.'s**

case (9 supra) at para 15 observed as thus:-

15. Mere categorization as a wilful defaulter does not entitle the bank/financial institution to immediately recover their due from the said borrower. Proceedings in accordance with law have to be initiated and thereupon recovery has to be effected. The order passed by the banks or financial institutions declaring a borrower a wilful defaulter is an administrative or a quasi-judicial order. The doctrine that no man can be a judge in his own cause has its limitation specially when doctrine of necessity is applicable.....”

⁹ (2009) SCC OnLine Del 1656

21. In the instant case, the officers have acted in their official capacity and no doubt party to the dispute, nevertheless there is no presumption of “bias” as no orders are passed and their action is out of “*necessity*” to protect the public interest. In the absence of any proof of personal bias, merely because the officers who formed an opinion to call for explanation does not mean that those officers named as First Level Committee would be biased more so when they are not personally interested in the transaction. The point is answered accordingly.

22. On the above analysis of the matter, the impugned show cause notice cannot be quashed on any of the grounds raised in the writ petitions and the writ petitions fail and are accordingly dismissed. However, in the light of the admission by the respondent at para 16 of the impugned show cause notice that on the same set of allegations criminal proceedings are initiated and are pending adjudication, in the light of the observations of the Hon’ble Supreme Court in ***M.S.SHERIFF’s*** case (6 supra) and in view of the facts and circumstances of the case, the further proceedings pursuant to the impugned

show cause notice may be kept on hold till the criminal proceedings are concluded and if criminal proceedings initiated are likely to be unduly delayed, it is open for the respondent to proceed in the matter by granting sufficient time, not less than four weeks to file explanation to the show cause notice by the petitioners, in such an event all contentions are kept open to the petitioners. It is needless to observe that the observations made hereinabove are only for the purpose of adjudications of the writ petitions and may not be construed as conclusions on the contentious issues raised by the petitioners; as what is impugned in these writ petitions is only show cause notice under the Master circular. Consequently, the connected miscellaneous petitions, if any, pending are also disposed of. There shall be no order as to costs.

A.RAJASHEKER REDDY, J

Dated: 12-07-2019
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THE HON'BLE SRI JUSTICE A.RAJASHEKER REDDY

WRIT PETITION Nos.1420, 1421 & 1428 of 2019

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