S/L 21
13.11.2025
Court. No. 25
chanchal

WPA 20151 of 2025

Subhasish Nag Chowdhury
Vs.
Indian Bank Association & Ors.

Mr. Debasish Ghosh
Ms. Antara Biswas
Ms. Sanjane Show

... for the petitioner

Ms. Aparajita Rao
Ms. Nabanita Dutta

... for the respondents Nos. 2 & 3

1. The petitioner has filed the present application challenging the communication dated 11th August, 2025 issued by the Deputy Vice President, Vigilance Department of Federal Bank wherein the explanation submitted by the petitioner to show-cause notice issued by the Federal Bank has been rejected and the Bank has decided to include the name of the petitioner in the caution list of IBA. Accordingly, the Bank has delisted the name of the petitioner from the approved list of 3rd party entities of the Bank and have also included the name of the petitioner in the caution list maintained by the IBA.

2. The counsel for the petitioner submits that though the Bank has issued the show-cause notice and the petitioner has submitted a detailed reply to the show-cause notice but by way of communication dated 11th August, 2025 to the Bank without assigning any reason and in one line by stating that the explanation submitted by the petitioner is not satisfactory, thus the impugned order is liable to be

quashed. He refers the handbook on policy, standards and procedures for real estate valuation by Banks and HFIs in India and he draws the attention of Clause 1.4 of the said guidelines wherein it is mentioned what procedure to be followed by the Bank/housing finance institutions for removal. He has further relied upon Clause 3.4 of the said guidelines with respect of the procedure for conflict resolution wherein the procedure has been mentioned. He submits that the Bank while issuing the order dated 11th August, 2025 has not followed the procedure and has not given any opportunity of hearing to the petitioner and without assigning any reason has passed the impugned order.

3. The learned counsel appearing for the Bank submits that detail show-cause notice has been issued to the petitioner and petitioner has submitted the reply. The Bank has considered the reply to the show-cause notice and the Bank found that the reply submitted by the petitioner is not satisfactory. Accordingly, appropriate decision has been taken for delisted the name of the petitioner from the approved list of the third party entities of the Bank and also included the name of the petitioner in the caution list mentioned by IBA.

4. Heard the learned counsel for the respective parties and perused the materials on record.

5. The Bank has issued show-cause notice to the petitioner on 6th May, 2025. On receipt of show-cause of notice the petitioner submitted a detailed reply on 9th May, 2025. The Bank has considered the representation and passed

the impugned order dated 11th August, 2025 . By the said impugned order, the Bank has decided to include the name of the petitioner in the caution list of the IBA and also delisted the name of the petitioner from the approved list of the third party entities of the Bank and have also included the name of the petitioner in caution list maintained by the IBA. As per the Handbook on the policy, standards and procedures for real estate valuation by Bank and HFIs in India if the Bank intend to remove the valuer the following procedure is to be followed:

> Issuance of show-cause notice, hearing then appropriate order. As per Clause 3.4, the Bank has to follow the procedures for issuance of show-cause notice, hearing and deliberation by the Committee and after the deliberation appropriate order can be passed.
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> In the present case, though the show-cause notice has been issued but no personal hearing has been given. Even no Committee was constituted to consider the reply submitted by the petitioner to the show-cause notice simply on the receipt of the reply of the show-cause notice the Bank has found that the reply is not satisfactory and passed the impugned order.

6. Considering above this Court finds that Bank did not follow the procedure before passing the impugned order dated 11th August, 2025. Accordingly, the impugned order dated 11th August, 2025 is set aside and quashed and remand the matter back for fresh consideration. The

Deputy Vice President, Vigilance Department of Federal Bank is directed to consider the show-cause reply submitted by the petitioner afresh after giving an opportunity of hearing in terms of the procedure prescribed under Clause 1.4 and 3.4 of the Handbook on policy, standards and procedures for real estate valuation by Banks and HFIs in India within a period of four weeks from the date of receipt of the copy of this order and to pass reasoned and speaking order and to communicate the same to the petitioner within a week thereafter.

7. WPA 20151 of 2025 is disposed of.

8. Urgent Photostat certified copies of this order, if applied for, be supplied to the parties upon compliance with all the necessary formalities.

(Krishna Rao, J.)