2025:PHHC:081747

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP-17114-2024
Date of Decision : **08.07.2025**

PANKAJ JAISWAL .....Petitioner

VERSUS

PUNJAB NATIONAL BANK AND OTHERS .....Respondents

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present : Mr. Pankaj Gupta, Advocate,
for the petitioner.

Mr. Dhiraj Chawla, Advocate,
for respondents no.1 to 3.

Mr. Chakilan Papla, Advocate,
for respondents no.5.

KULDEEP TIWARI, J.(Oral)

1. Through the instant writ petition filed under Article 226/227 of the Constitution of India, a prayer is made for seeking quashing of circular dated 23.03.2020 (Annexure P-8), whereby the Punjab National Bank (respondents no.1 to 3), has not only de-panelled the petitioner as a Valuer, moreover, his name has been referred to the Indian Bank Association (respondent no.4), for inclusion in the caution list for circulation to all the member banks.

2. He further challenged the order dated 10.09.2021 (Annexure P-14), wherethrough, the request of the petitioner to reconsider the decision, was declined.

3. Learned counsel for the petitioner, in an attempt to throw challenge to the circular (*supra*), submits that it is within the prerogative of respondents no.1 to 3, to depanel the petitioner, but it cannot further communicate the said decision to the Indian Banks Association, for its circulation, to all the member banks, as this would tantamount to blacklisting him, and this, in fact, is against the principle of natural justice, and the mandatory provision of circular dated 27.08.2009, and 04.02.2017, as issued by the Indian Banks Association.

4. While drawing attention towards the circular (*supra*), learned counsel for the petitioner, built-up his arguments to the effect that a complete mechanism has been prescribed, wherethrough, an independent forum is to be constituted by the Indian Banks Association, upon receiving any complaint from its member banks, and thereupon, after complying with the procedure of principle of natural justice, and holding an inquiry only, the blacklisting can be done.

5. This Court without going into the details of the issue, as raised through the instant petition, at this stage, has confined itself, only to evaluate, as to whether, the circulars dated 27.08.2009 and 04.02.2017, as issued by Indian Banks Association, has been complied with, before issuing impugned circular dated 23.03.2020, and for that, a specific query has been put to learned counsel for respondents no.1 to 3, and in answer to which, he, fairly, admits that the procedure as envisaged in the circular has not been adhered to.

7. This Court has considered the submissions made by the learned counsel for the parties concerned, and has perused the entire case file.

8. A co-ordinate bench of this Court in CWP-23708-2023, vide judgment dated 17.11.2023, has already examined the issue, as raised through the instant petition. It has been patently observed in the said judgment that without complying with the procedure as envisaged under circular (*supra*), in case the petitioner is blacklisted, same is required judicial interference. The relevant part of the said judgment is extracted hereinafter:-

> "A perusal of the pleadings and the response filed by the respondent bank shows that the guidelines specifically provide for constitution of a Forum as per the requirements prescribed therein. Before any case pertaining to a third party involved in gross negligence/fraud is forwarded to the IBA, the Forum has to take a conscious decision thereupon and an opportunity is required to be extended to the third party and it is only after a dissatisfaction is recorded by the Forum about the reply, that the case of the third party is forwarded to the IBA. The documents available on record do not reflect that the aforesaid procedure prescribed in the 'Procedural Guidelines for Reporting Names of Third Parties involved in Frauds' notified by the IBA in July 2009 had been followed and adhered to in the present case.
>
> Under the given circumstances, I find that the inclusion of the name of the petitioner in the caution list Annexure P-5 was in breach of the procedure provided. The decision of the respondent bank in forwarding the name of the petitioner for inclusion in the caution list is accordingly set aside. The respondents are directed to delete the name of the petitioner from the caution list. The respondents Banks, however, shall be at liberty to pass a fresh order, after following the procedure as prescribed under the Procedural Guidelines for Reporting Names of Third Parties involved in Frauds notified by the IBA in July 2009. Communication about deletion of name of petitioner from caution list shall be sent by the respondent Panjab and Sind Bank to the IBA expeditiously and preferably within a period of 02 weeks from the date of receipt of a certified copy of the order."

9. The case, as set up by the present petitioner is squarely covered under the judgment (*supra*), therefore, this Court can safely conclude that the impugned circular requires interference, therefore, the same is, set aside.

10. Resultantly, the instant petition is, hereby, **allowed,** and The respondents are directed to delete the name of the petitioner from the caution list. Communication about deletion of name of petitioner from caution list shall be sent by the respondent- Panjab National Bank to the IBA expeditiously and preferably within a period of **02 weeks** from the date of receipt of a certified copy of the order.

However, he respondent-Bank, however, shall be at liberty to pass a fresh order, after following the procedure as prescribed under the Procedural Guidelines for Reporting Names of Third Parties involved in Frauds notified by the IBA in July 2009.

(KULDEEP TIWARI)
JUDGE

July 08, 2025
dharamvir

Whether speaking/reasoned. : Yes/No
Whether Reportable. : Yes/No