IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 13-02-2026

CORAM

THE HON'BLE MS. JUSTICE P.T. ASHA

WP No. 49878 of 2025
and WMP. No.55757 of 2025

S.Kasi Viswanathan
S/o.P.R.Sellppan
No.82/14, 3rd Main Road Extension,
Venkateswara Nagar, Velachery,
Chennai-600 042.

..Petitioner

Vs

1. The Karnataka Bank Ltd.,
   Rep by its Deputy General Manager
   Registered and Head Office
   No.599, Mahaveera Circle
   Kankanady, Mangaluru-575 002.

2. The Karnataka Bank Ltd.,
   Rep by its Branch Manager,
   123, 3rd Avenue, Near Erode Amman Mess
   W-Block, Anna Nagar, Chennai-600 040.

..Respondents

PRAYER : Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, directing the 1st respondent to remove the petitioner's name namely Kasi Viswanathan, from the Caution List of Third Party Entities, published in the Indian Banks' Association website https.www.iba.org.in/ immediately and to pass orders.

For Petitioner:	Mr.A.E.Ravichandran
For Respondents:	Mr.A.Damodaran [R1 & R2]

ORDER

The above writ petition has filed seeking a mandamus to the 1st respondent to remove the petitioner name from the caution list of the 3rd party entities, published in the Indian Bank Association website.

2.The short facts involved in this writ petition are as follows :

(a) The petitioner is a registered valuer under the Income / Wealth Tax Act and is also an approved and registered Valuer in the panel for Valuers for Bank. He has an experience of over 9 years in the field of valuation of assets. The petitioner was in the Panel of Valuers with the 1st respondent-Bank from 2019 till 2025 under the recommendations of the second respondent and thereafter, his name was not renewed in the respondent-Bank. In addition, the petitioner also continued to be the panel Valuer for other Banks viz., Canara Bank, Indian Bank, Punjab National Bank, Central Bank of India, LIC, HIF etc., and there were no complaints against him insofar the valuation report submitted by him.

(b) While so, on 21.07.2025, the first respondent sent a letter requesting the petitioner to submit his explanation with reference to the valuation report submitted by him with respect to the credit facilities sanctioned to one M/s. Sri Lakshmi Traders. The petitioner had submitted his detailed explanation on 04.08.2025, however, there was no response from the first respondent-Bank.

(c) The petitioner would submit that on 19.08.2025, the 1st respondent-Bank had referred his name to the Indian Bank Association so as to enable them to include the petitioner's name in the caution list of third parties. This caution list of third party entities is hosted by the Indian Bank Association (in short 'IBA') in its website, which is created by IBA for its own internal use of the member banks and other than its member banks no other can have the access of the website. Therefore, the petitioner was not aware of this. Further, if any third party attempts to enter the website, a "Note for Information" would be displayed stating that 'IBA is a neither a Government entity nor a Regulatory Authority and not amenable to Writ jurisdiction of Courts and not subjected to RTI Act'.

(d) The petitioner would further submit that the member Banks of IBA would notify the names of third parties in the website, prior to engaging the service of third parties, and on verification, if the names of the third parties has been figured in the Caution List, they would be blacklisted and the said third party will not be engaged with any service.

(e) The petitioner would submit that his name was notified in the website of IBA at S.No.346, referring that "Valuer has wrongly mentioned that 24 feet is available and 40 feet bitumen road is available, however, the property is land locked'._

(f) The petitioner would draw reference to the show cause notice issued to him on 21.07.2025, wherein he was asked to give his explanation to the valuation report dated 24.04.2025 submitted by him in respect of the property offered as security by M/s.Sri Lakshmi Traders, and whose account was classified as NPA on 27.02.2025 stating that the property was land locked.

(g) In reply, the petitioner had offered his detailed explanation on 04.08.2025 wherein he had stated that he had given the valuation report only for auctioning the property under the SARFAESI Act, after visiting the property and taking photographs. During inspection, it was found that there was a 5 feet passage leading to 24 feet road and this was mentioned in the valuation report. He further submitted that the loan was sanctioned to M/s.Sri Lakshmi Traders, way back in the year 2022, was based on the earlier valuation report submitted by one Er.K,Ramesh on 13.04.2022, and that his valuation report was submitted only on 24.04.2024, which is subsequent to the account of M/s.Sri Lakshmi Traders becoming NPA.

(h) The petitioner would reiterate that in his valuation report dated 24.04.2024, he had mentioned about the 5 feet passage in the description of the property and that the 24 feet road connecting the 5 feet road, was even available on the date of his submitting the report. Therefore, there is no illegality or fraud in his valuation report but he is made a scapegoat. Further, without considering his reply and giving him an opportunity of hearing, his name had been notified in the Third Party Caution List of IBA.

Hence, the petitioner is before this Court seeking a mandamus to the 1st respondent to remove his name from the Caution List of Third Party Entities.

3. The learned counsel appearing for the petitioner has drawn the attention of this Court to W.P.No.14801 of 2022, wherein a similar subject matter has already been dealt with and this Court, by order dated 10.01.2023 had allowed the writ petitioner. He seeks the same parity may also be shown to the petitioner herein, and to direct the first respondent to remove the petitioner's name from the Caution List of Third Party Entities published by IBA.

4.1 The respondents have filed the counter affidavit denying the contentions of the petitioner and holding him responsible for submitting a wrong valuation report. With reference to the earlier valuation report, the only counter made by the respondent-Banks was that there was a material divergence between the earlier valuation report and the subsequent report of the petitioner, on critical aspects affecting the access and usability of the property which warranted a heightened scrutiny and regulatory action by the Bank. They would further submit that the action taken by the Bank was in compliance with the RBI Master Directions on Fraud Risk Management on Commercial Banks and All India Financial Institutions, dated 15.07.2024, and in furtherance of the Bank's internal third-party risk governance framework. They would submit that the explanation offered by the petitioner, was considered by the Bank and therefore, the contention that the petitioner's reply have not been considered, is totally false.

4.2 The respondents would further submit that the Caution List of Third-Party Entities maintained by IBA is not a statutory blacklist nor does it have the effect of punitive or prohibitory order. It is an internal advisory intended to enable the member banks to exercise enhanced due diligence and does not impose any legal disability or civil consequence upon the petitioner. They would further contend that there was no necessity to pass a speaking order. The respondents would further submit that they have neither restrained nor prohibited the petitioner from carrying on his profession, however, it only exercised its contractual discretion and regulatory obligation in engaging the petitioner, based on institutional risk assessments.

4.3 In short, they would submit that the respondent-Bank being a private entity, they would not fall within the ambit of State, and therefore, the writ petition was not maintainable and it is liable to be dismissed. Further, the respondents would submit that the petitioner have an affective alternative remedy of making a representation before the Competent Authority of the respondent-Bank or before the regulatory body governing the valuers or can seek a civil remedy. Therefore, they sought for the dismissal of the present writ petition.

5. Heard the arguments on either side and also perused the materials available on record.

6. It is an admitted fact that the petitioner has not submitted a valuation report when the property in question was taken as a security for the loan availed by M/s.Sri Lakshmi Traders. It appears that the account in question had been classified as a Non-Performing Asset and the respondents had decided to invoke SARFAESI Act, and for this purpose, the petitioner was directed to submit a valuation report. Therefore, the petitioner after inspecting the property, had submitted his valuation report on 24.04.2024 along with photographs, which is a subsequent one. Therefore, this valuation report which is not the original valuation and it more or less contains the identical description of the property given by the earlier valuer, based upon which, the loan was sanctioned to M/s.Sri Lakshmi Traders.

7. In the earlier report, the Valuer had noted that there is a 5 feet passage

on the south. In fact as against the query in Clause 4(vii) as to “Whether a proper approach road is there from the main road”, the earlier valuer Er.K.Ramesh and Associates has stated that a 20' feet road on the south leads to 3rd street through Rajiv Gandhi 4th street which connects to JN Salai (200' feet road). The next clause i.e. 4(viii) is with reference to the “Width of the approach road leading to the property; and whether it is motorable?” To this, the earlier valuer has stated that “ 20' feet Bitumen Road; Yes, motorable”. The sketch not drawn to scale has also been provided by the said Valuer, in which, an approach road is shown.

8. The petitioner who has been asked only to submit a valuation for the initiation of the SARFAESI proceedings against Sri Lakshmi Taders, had stated in his report there is a 40 feet Bituman Road available in his report dated 24.04.2024 under the head “ Location of the property” at Clause 5(iv).

9. Admittedly no action has been taken against the earlier valuer. Further, the loan was sanctioned to M/s.Sri Lakshmi Traders, not on the basis of the petitioner's valuation report, but has been sanctioned on the basis of the earlier valuer, after which, the said loan account had become a Non-Performing Asset. Had the respondents given an opportunity to petitioner to put forth his explanation in person, such a proceedings dated 19.08.2025 namely Caution

List for Third Party Entities, would have not been published in the website of IBA. Further, the respondent-Bank has admitted that this is a website for their internal access and known only to its member-Banks of IBA, the alleged publication would not only defame the petitioner and he would not only be ousted from the respondent-Bank alone, but also from the list of Valuers of other member-Banks as well. Admittedly, the publication dated 19.08.2025 was made without hearing the petitioner, despite his submitting a reply on 04.08.2025 to the show cause issued to him on 21.07.2025. Therefore, the publication dated 19.08.2025 cannot be sustained. Consequently, the writ petition is allowed and a mandamus is to the respondents to remove the name of the petitioner from the Caution List of Third Party Entities published by IBA, within a period of four weeks from the date of receipt of a copy of this order. The services of the petitioner can be engaged by any Bank as a professional valuer, if they are so desire. No costs. Consequently, connected miscellaneous petition is closed.

13-02-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

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To:

1. The Karnataka Bank Ltd.,
   Rep by its Deputy General Manager
   Registered and Head Office
   No.599, Mahaveera Circle
   Kankanady, Mangaluru-575 002.

2. The Karnataka Bank Ltd.,
   Rep by its Branch Manager,
   123, 3rd Avenue, Near Erode Amman Mess
   W-Block, Anna Nagar, Chennai-600 040.

P.T.ASHA J.

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