IN THE HIGH COURT AT CALCUTTA
(Constitutional Writ Jurisdiction)
ORIGINAL SIDE

Present:

The Hon'ble Justice Krishna Rao

W.P.O. No. 290 of 2026

M/s. A.K. Singh and Associates & Anr.

Vs.

Punjab and Sind Bank & Anr.

Mr. Joydeep Kar, Sr. Adv.
Mr. Sabyasachi Chaudhury, Sr. Adv.
Mr. Anuj Singh
Ms. Trinisha De
Ms. Rupal Singh
Ms. Anukriti Poddar
Mr. Parichay Pathak
Mr. Shivam Chaturvedi
Mr. Pradeep Kumar Jewrajka

....For the petitioners.

Mr. Swarvanu Saha

....For the respondents.

Hearing Concluded On : 03.07.2026

Judgment Delivered On : 08.07.2026

Judgment Uploaded On : 08.07.2026

Krishna Rao, J.:

1. The petitioners have filed this present writ petition praying for a direction upon the respondents to remove the petitioners' name from the de-paneled list and also to recall and withdraw the name of the petitioners from the caution list of the respondent no.2.

2. The petitioners being the empaneled Advocates of the respondent no. 1 bank and as per the request of the respondent no. 1, conducted title search of the property of borrower, measuring 3 cottahs, 8 chittaks and 26 sq.ft, together with a four storied building situated at Plot No. 905, Lake Town, Mouza- Patipukur, under Holding No. 895 (Old), and 1615 (new), Block-A, within the South Dumdum Municipality.

3. The petitioners after conducting title search of the aforesaid property of the borrower, namely, Promit Maity, had submitted the Title Search Report to the respondent no. 1 on 16th November, 2018. After the lapse of about four years, the respondent no. 1 by a letter dated 2nd August, 2022, called upon the petitioner no. 1 to submit "comments" on the Title Search Report dated 16th November, 2018. In the said letter, it is alleged that the title deed relied by the borrower, namely, Mr. Promit Maity was not genuine and that the borrower had defrauded the bank by using forged documents.

4. On receipt of the said letter, the petitioners have submitted a detailed reply informing the respondent no. 1 that the petitioners have submitted the search report upon verification of certified copy of the Deed of Gift, Mutation Certificate, Tax receipt, Sanction Plan and other documents. After receipt of the said reply, the respondent no. 1 has not made any communications with the petitioners and no opportunity of personal hearing was provided to the petitioners.

5. Mr. Joydeep Kar, Learned Senior Advocate along with Mr. Sabyasachi Chaudhury, Learned Senior Advocate, representing the petitioners submit that all of a sudden in the month of March, 2025, the petitioners came to know from reliable sources that the name of the petitioners had been included in the list of de-paneled professionals maintained by the respondent no. 1 and upon checking the official website of the respondent no. 1, the petitioners confirmed that their names were indeed listed under the de-paneled professionals list.

6. Mr. Kar submits that on further inquiry, the petitioners came to know that the respondent no. 1 has also forwarded the name of the petitioners' to the respondent no. 2 for inclusion in the caution list maintained by the respondent no. 2 and circulated to various banks and financial institutions.

7. Mr. Kar submits that the inclusion of the name of the petitioners on the de-paneled list of the respondent no. 1 and caution list of the respondent no. 2, has adversely impacted the petitioners' professional reputation and credibility, thereby resulting in loss of present and prospective professional opportunities. He submits that the impugned action of the respondent no. 1, thereby effectively blacklisting the petitioners and branding the petitioner no. 1 firm as professionally unfit without giving any opportunity of hearing and without conducting any enquiry.

8. Mr. Kar has relied upon the judgment in the case of ***Rajan Shrivallabha Deshpande Vs. Bank of Baroda and Another*** reported in ***2022 SCC OnLine Bom 1628*** and submits that legal opinion has become an integral component of an Advocate's work in banking sector. Therefore, an Advocate on his part has responsibility to act to the best of his knowledge and skills and to exhibit an unremitting loyalty to the interest of his client.

9. Mr. Kar has further relied upon the judgment in the case of ***Blue Dreamz Advertising Private Limited and Another Vs. Kolkata Municipal Corporation and Others*** reported in ***(2024) 15 SCC 264*** and submits that blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for the purposes of gains.

10. Mr. Swarvanu Saha, Learned Advocate representing the respondents submits that in terms of the Reserve Bank of India Circular dated 16th March, 2009 and the notification of the Indian Banks' Association dated 27th August, 2009, the banks had been advised to report to the

Indian Banks' Association, the details of third partiers, including professionals involved in fraud and accordingly, the respondent no. 1 by a letter dated 17th August, 2022, issued a show cause notice to the petitioners, calling upon the petitioners to submit "comments" within 7 days of the receipt of the letter.

11. Mr. Saha submits that before reporting to Indian Banks' Association, banks are required to satisfy themselves about the involvement of third parties concerned and also to provide an opportunity of hearing. He submits that the Circular does not speaks that banks are required to issue show cause notice or hearing before de-panelment of the professional and thus the respondent no. 1 did not issued show cause notice, nor provide any opportunity of hearing to the petitioners before de-paneling the petitioners from the list of empaneled professionals.

12. Mr. Saha submits that as per Circular, the respondent no.1 bank was required to issue a show cause notice and provide an opportunity of hearing to the petitioners only before reporting the de-panelment to the respondent no.2 but which inadvertently was not done and if this Court directs the respondent no.1 will issue a show cause notice and will provide an opportunity of hearing to the petitioners. He further submits that if this Court directs to remove the name of the petitioners from the list of de-paneled professionals, the bank will remove the same.

13. Mr. Saha submits that the bank has never made any allegation of fraud against the petitioners but the bank observed an act of negligence on the part of the petitioners.

14. Heard the Learned Counsel for the respective parties, perused the materials of record and the judgments relied by the petitioners. While preparing Title Search Report, the petitioners have verified the following documents:

Sl. No	***Date of Document***	***Particulars of the document***	***Original Certified Photocopy/ true copy***
1	*26.09.1963*	*Deed of Conveyance, registered in the office of Sub-Register Cossipore Dumdum, recorded in Book No. I, Volume No. 118, pages 5 to 9 Being No. 7529 for the year 1963, executed by the Governor of the State of West Bengal as Vendor and Pravatansu Maiti as Purchaser.*	
2	*30.04.2013*	*Deed of Gift registered with the office of ADSR-Bidhannagar, Recorded in Book No. I, CD Volume No. 4, Pages 2562 to 2575, Being No. 01377 for the year 2013, executed by Smt. Usha Maity & Smt. Sucharita Ray as Donors in favour of Promit Maity.*	*Photo copy*
3	*11.08.2014*	*Mutation Certificate Issued by South Dumdum Municipality*	*Photo copy*
4	*20.02.2018*	*Tax receipt Issued by South Dumdum Municipality*	*Photo copy*

5	*06.07.1963*	*Sanction Plan issued by South Dum Dum Municipality*	*Photo copy*

18. *Whether searches had been conducted physically at the offices.*	*Yes*
i) *Sub-Registrar's office/ Municipal/ Collector/ Taluk or Such other Revenue office.*	*ADSR-Bidhannagar, DSR-II Barasat, ARA-II & IV Kolkata*
ii) *Whether Mutated in the name of the person creating the mortgage.*	*Yes* *Paid upto 2017-18 Certificate No. A-33454 Mutation Certificate enclosed.*

15. In the notice dated 2nd August, 2022, it was informed to the petitioners that the title deed is not genuine and the borrower has cheated the bank with the aid of forged and fabricated documents. In the report submitted by the bank in the present case, reads as follows :

> *"**7.** I say that there was indeed a fraud done by the borrower namely M/s. JSW Traders, represented by its borrowers Promit Maity and Moushumi Maity, whereby M/s. JSW Traders have taken loans from multiple banks using the same Title Deed being No. 01377 of 2013 registered with the office of the ADSR Bidhannagar along with the mother Deed No. 7529 of 1963, in respect of ALL THAT Part and parcel of the property consisting of land & building situated at Plot No.05, Lake Town, Mouza Patipukur, C.S. Plot Nos. 152, 133, 134, 156 Holding No. 895(old) 1615(New), Lake Town, Block-A, Police Station Dumdum, within the limits of South Dumdum Municipality, Parganas- Kalikata, J.L. No.24, District North 24 Parganas 7A. M/s. JSW Traders, represented by its borrowers Promit Maity and Moushumi Maity, whereby M/s. JSW Traders have taken a loan of Rs Rs 157.00 lakhs under PSB Vyapar Loan Scheme, and another facility in the form of term loan CRCTL of Rs.*

> *15,70,000 and term loan facility (ECTL) of Rs. 31,00,000 thus total amount Rs. 2,03,70,000 from the respondent No. 1 bank on and about 13.12.2018 an thereafter reviewed on 26.03.2020. Subsequently, the borrower failed to repay the loan and the loan account became NPA on 19.02.2020. Accordingly, the respondent No. 1 Bank initiated SARFAESI proceeding against the borrower by issuing notice under section 13(2) and exercising its power under section 13(4) of the SARFAESI Act, 2002 and thereafter decided to sell the aforesaid mortgaged property."*

16. From the said statements, it is clear that the borrower has used the deeds for obtaining loan from different banks. From the Title Search Report of the petitioners, it is clear that the petitioners have verified the documents from the office of ADSR-Bidhannagar, DSR-II, Barasat, ARA-II and IV Kolkata. The petitioners in his report also mentioned that the borrower has paid revenue and municipal taxes upto 2017-2018.

17. Procedural guidelines for reporting names of third parties involved in fraud to Indian Banks' Association for inclusion in the caution list provides that before reporting to Indian Banks' Association, banks are required to satisfy themselves about the involvement of third parties concern and also provide them with an opportunity of being heard. In the case of the petitioners by a letter dated 2nd August, 2022, the respondent no.1 bank has only requested the petitioners to submit its comments as the bank came to know that the title deed is not genuine and the borrower has cheated the bank with the aid of forged and fabricated land documents. In the said communication, the bank has not directed or requested to show cause as to why action shall not be taken against the petitioners for de-panelment and reporting to Indian Banks' Association to include the name of the petitioners in the caution list. The petitioners have submitted its comments to the communication dated 2nd August, 2022 but after receipt of the said comments, the bank has not made any correspondence with the petitioners.

18. In the case of ***Rajan Shrivallabha Deshpande (supra),*** the Hon'ble Division Bench of the Bombay High Court held that:

> *"**11.** Now a days it is a settled practice that for obtaining loan or while granting loan rendering a legal opinion has become an integral component of an advocate's work in banking sector. Therefore, an advocate on his part has responsibility to act to the best of his knowledge and skills and to exhibit an unremitting loyalty to the interest of his client. An advocate is required to exercise due diligence in a manner that would advance the interest of his client. However, while acting so the advocate never assures his client that the opinion so rendered by him is after taking due precaution and care. Like any other profession, the only assurance which an advocate can give and may be implied from an advocate while acting in professional capacity is that his possesses the requisite skill in his field of practice and while undertaking the performance of the work entrusted to him, he would exercise his skill with reasonable competence. In this regard we may refer to the following observations made by the hon'ble Supreme Court in the case of Central Bureau of Investigation v. K. Narayana Rao reported in (2012) 9 SCC 512, wherein a First Information Report came to be lodged for commission of offences punishable under sections 120B, 419, 420, 467, 468 and 471 read with section 109 of the Penal Code, 1860 and section 13(2) read with section 13(1)(d) of the Prevention of Corruption Act, 1988 against various accused including a legal practitioner, who was a panel advocate of a bank. It was alleged that said panel*

advocate had given a false legal opinion with regard to 10 housing loans. The legal practitioner filed proceeding under section 482 of the Code of Criminal Procedure, 1973 for quashing the criminal proceeding. The Andhra Pradesh High Court quashed the said proceeding against the legal practitioner. That order was challenged before the hon'ble Supreme Court. In paragraph 27 of the said decision it has been observed as under:

> *"27. In the banking sector in particular, rendering of legal opinion for granting of loans has become an important component of an advocate's work. In the law of negligence, professionals such as lawyers, doctors, architects and others are included in the category of persons professing some special skills. A lawyer does not tell his client that he shall win the case in all circumstances. Likewise a physician would not assure the patient of full recovery in every case. A surgeon cannot and does not guarantee that the result of surgery would invariably be beneficial, much less to the extent of 100 per cent. for the person operated on. The only assurance which such a professional can give or can be given by implication is that he is possessed of the requisite skill in that branch of profession which he is practising and while undertaking the performance of the task entrusted to him, he would be exercising his skill with reasonable competence. This is what the person approaching the professional can expect. Judged by this standard, a professional may be held liable for negligence on one of the two findings, viz., either he was not possessed of the requisite skill which he professed to have possessed, or, he did not exercise, with reasonable competence in the given case, the skill which he did possess."*

In Pandurang Dattatraya Khandekar v. Bar Council of Maharashtra reported in (1984) 2 SCC 556, it is held by the hon'ble apex court that there is a world of difference between the giving of improper legal advice and the giving of wrong legal advice. Mere negligence unaccompanied by any moral delinquency on the part of a legal practitioner *in the exercise of his profession does not amount to professional misconduct. It is held by the hon'ble apex court that, therefore the liability against an opining advocate arises only when the lawyer was an active participant in a plan to defraud the bank. To determine whether the person charged has been negligent or not, he has to be judged like an ordinary competent person exercising ordinary skill in that profession. It is not expected that every professional possesses the expertise in the said branch which he practices."*

19. In the present case, the petitioners while preparing Title Search Report has obtained report form the Court of Civil Judge, Senior Division and Junior Division at Barasat whether any suit is pending with respect to the property in question, carried out inspection from the office of the ARA-II & IV Kolkata with respect to the registered deeds and properties and also obtained necessary documents from the South Dumdum Municipality. In the Title Search Report, the petitioners have suggested to the bank that for creation of valid mortgage, the borrower should also provide supporting documents like lay out approval, completion certificates, possession letter, commencement certificates, revenue receipts, holding tax receipts etc. to show that the property is marketable.

20. In the case of ***Blue Dreamz Advertising Private Limited (supra)***, the Hon'ble Supreme Court held that:

*"**21.** Blacklisting has always been viewed by this Court as a drastic remedy and the orders passed have been subjected to rigorous scrutiny. In Erusian Equipment & Chemicals Ltd. v. State of W.B., this Court observed that:*

> *"20. Blacklisting has the effect of preventing a person from the privilege and advantage of entering into lawful relationship with the Government for purposes of gains. The fact that a disability is created by the order of blacklisting indicates that the relevant authority is to have an objective satisfaction."*

> ***24.*** *What is significant is that while setting out the guidelines prescribed in USA, the Court noticed that comprehensive guidelines for debarment were issued there for protecting public interest from those contractors and recipients who are non-responsible, lack business integrity or engage in dishonest or illegal conduct or are otherwise unable to perform satisfactorily. The illustrative cases set out also demonstrate that debarment as a remedy is to be invoked in cases where there is harm or potential harm for public interest particularly in cases where the person's conduct has demonstrated that debarment as a penalty alone will protect public interest and deter the person from repeating his actions which have a tendency to put public interest in jeopardy. In fact, it is common knowledge that in notice inviting tenders, any person blacklisted is rendered ineligible. Hence, blacklisting will not only debar the person concerned from dealing with the employer concerned, but because of the disqualification, their dealings with other entities also is proscribed. Even in the terms and conditions of tender in the present case, one of the conditions of eligibility is that the agency should not be blacklisted from anywhere.*

> ***25.*** *In other words, where the case is of an ordinary breach of contract and the explanation offered by the person concerned raises a bona fide dispute, blacklisting/debarment as a penalty ought not to be resorted to. Debarring a person albeit for a certain number of years tantamounts to civil death inasmuch as the said person is commercially ostracised resulting in serious consequences for the person and those who are employed by him.*

21. Admittedly, other than the communication dated 2nd August, 2022, the bank has neither issued any show cause notice to the petitioners nor any personal hearing was provided to the petitioners. In the report submitted by the respondent no.1 also admitted that neither show cause notice was issued nor any personal hearing was provided to the petitioners. Paragraphs 5 and 6 of the report reads as follows:

> *"**5.** I say that as per the aforesaid circular the respondent No. 1 bank was required to issue a show cause notice and provide a hearing to the petitioner only before reporting the de-panelment to the Indian Bank Association (IBA) which was inadvertently not done by the respondent No. 1 bank and if this Hon'ble Court so directs the respondent No. 1 bank shall issue a show cause notice and provide a hearing to the petitioner accordingly.*
>
> ***6.** I say that if the Hon'ble Court further directs that name of the petitioner be removed from the list of de-panalled professional the same shall also be done."*

22. This Court finds that the respondents before de-paneling the name of the petitioners and sending the name of the petitioners to the Indian Bank's Association for placing in the caution list, the respondents have not followed the due process of law by giving any opportunity of hearing to the petitioners in terms of the procedural guidelines.

23. In view of the above, the respondents are directed to remove the name of the petitioners from the de-paneled list and also from the caution list of the Indian Bank's Association forthwith.

24. **WPO No. 290 of 2026** is **allowed**.

Parties shall be entitled to act on the basis of a server copy of the Judgment placed on the official website of the Court.

Urgent Xerox certified photocopies of this judgment, if applied for, be given to the parties upon compliance of the requisite formalities.

(Krishna Rao, J.)