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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% *Date of Decision : 15.09.2026*

\# **CNR No. DLHC010435102026**

\+ **LPA 723/2026 & CM APPL. 62363/2026**

R K NANDA .....Appellant

Through: Mr. Jai Sahai Endlaw and Mr. Abhinav Gupta, Advocates.

Versus

CENTRAL BANK OF INDIA & ORS. .....Respondents

Through: Mr. Rajesh Sharma, Advocate for Central Bank of India.

CORAM:
HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE TEJAS KARIA

TEJAS KARIA, J. (*ORAL*)

CM APPL. Nos. 62361/2026 & 62362/2026 (*Exemptions*)

1. Exemptions allowed, subject to all just exceptions.

2. The Applications stand disposed of.

CM APPL. Nos. 62359/2026 & 62360/2026 (*Condonation of Delay*)

3. These Applications have been filed seeking condonation of delay of 75 days in filing and 14 days in re-filing the present Appeal.

4. Having heard learned Counsel for the Parties and perused the averments made in the Applications, the same are allowed. The delay of 75 days in filing as well as 14 days in re-filing the present Appeal is hereby condoned.

5. Accordingly, the Applications stand disposed of.

LPA 723/2026

6. The present *intra court* Appeal has been preferred against the order dated 06.05.2026 ("**Impugned Order**") passed in W.P.(C) No. 1241/2017 ("**Writ Petition**"), whereby the learned Single Judge dismissed the Writ Petition and upheld the order dated 30.08.2014 removing the Appellant from service ("**Disciplinary Order**"), and the order dated 17.12.2014 dismissing his departmental appeal ("**Appellate Order**").

7. The Appellant entered the service of Respondent No. 1, Central Bank of India ("**Bank**"), on 30.01.1991 as a Clerk at Kota, Rajasthan. He was promoted to the post of Assistant Manager on 06.10.2008 and posted at the Patel Nagar Branch, New Delhi. Thereafter, on 17.08.2010, he was appointed as Assistant Manager at the Delhi Cantonment Branch, New Delhi.

8. Departmental proceedings had previously been initiated against the Appellant by way of a chargesheet dated 17.09.2011 concerning certain transactions at the Patel Nagar Branch, New Delhi. By findings dated 19.03.2012, the inquiring authority therein held the charges proved only to the extent that the Appellant had failed to maintain the secrecy of his password. Consequently, by order dated 16.07.2012 ("**Penalty Order**"), a penalty of reduction by one stage in the time scale of pay for a period of six months was imposed upon the Appellant.

9. On 30.12.2013, a sum of ₹4,93,659/- was credited to the savings account of the Appellant through Cheque No. 008860 dated 02.09.2013 ("**Cheque**"), issued by *M/s Third Wave Services Pvt. Ltd.* ("**Third Wave**"), a customer of the Bank. On 02.01.2014, the entry was reversed and the amount was credited back to the account of Third Wave.

10. By memorandum dated 04.01.2014, the Bank alleged that the Appellant had misappropriated the said amount and placed him under suspension. Thereafter, by chargesheet dated 20.03.2014 ("**Chargesheet**"), departmental proceedings were initiated against the Appellant in respect of two charges. First, it was alleged that the Cheque, issued by Third Wave in favour of "*Yourself*" towards commission and processing charges for two bank guarantees, was in the custody of the Appellant; that he added the words "*A/c Rakesh Nanda*" after "*Yourself*"; and that, despite having become stale, the Cheque was entered into the system on his instructions and credited to his account ("**Charge No. 1**"). Second, it was alleged that the Appellant had drawn salary advances amounting to ₹42,000/- in September 2013, against his net salary of ₹28,715.20/- for August 2013; that those advances were not adjusted against his salary for September 2013; and that they were liquidated through cash deposits in November 2013 ("**Charge No. 2**").

11. The inquiry was conducted on 20.05.2014, 26.05.2014 and 28.05.2014. In the course thereof, the Bank examined Mr. Aqa Garib Nawaz, Chief Manager, Delhi Cantonment Branch, as its witness ("**Management Witness**"). Respondent No. 4, Mr. V. K. Agarwal (Retd.), Senior Manager ("**Inquiring Authority**"), by report dated 07.07.2014 ("**Inquiry Report**"), held both charges to be proved.

12. Respondent No. 2, Mr. M. D. Kashyap (Retd.), Chief Manager ("**Disciplinary Authority**"), concurred with the findings recorded in the Inquiry Report and, by the Disciplinary Order, imposed upon the Appellant the penalty of removal from service, without disqualification for future employment. The departmental appeal preferred by the Appellant on

22.09.2014 was dismissed by Respondent No. 3, Mr. B. D. Jha (Retd.), Assistant General Manager ("**Appellate Authority**"), by the Appellate Order.

13. Aggrieved by the Disciplinary Order and the Appellate Order, the Appellant instituted the Writ Petition. By the Impugned Order, the learned Single Judge dismissed the Writ Petition, holding that the departmental inquiry was not vitiated by any violation of the principles of natural justice and that the findings in respect of Charge Nos. 1 and 2 were supported by the evidence on record. The Appellant has, accordingly, preferred the present Appeal.

14. Learned Counsel for the Appellant submitted that, in relation to Charge No. 1, the learned Single Judge failed to appreciate that the case of the Respondents rested upon the allegation of 'misappropriation of funds' and upon the premise that the Cheque had been presented towards bank commission and processing charges. It was contended that no evidence established that the Cheque related to any legitimate demand for bank commission or other charges. In his cross-examination on 28.05.2014, the Management Witness himself admitted that neither the face nor the reverse of the Cheque indicated that it had been issued towards commission for the two bank guarantees; he also failed to explain the basis upon which the processing charges had been calculated.

15. Learned Counsel for the Appellant further submitted that the learned Single Judge failed to consider that the addition of the words "*A/c Rakesh Nanda*" after the word "*Yourself*" on the Cheque did not constitute an alteration in law but merely completed an otherwise blank payee description. It was further contended that the learned Single Judge did not address whether

any evidence existed to establish that the Cheque had been issued towards bank commission and processing charges and instead focused on the Appellant's alleged use of his official position to secure the credit. According to the Appellant, this did not form the basis of the findings returned by the Respondents, who had proceeded on the specific allegation that he had 'misappropriated the funds' of Third Wave. It was submitted that the validity of an administrative order must be judged by the reasons stated therein and cannot thereafter be supported by reasons subsequently supplied.

16. Learned Counsel for the Appellant submitted that the Inquiring Authority held Charge No. 1 proved principally on the premise that loans are invariably advanced in round figures. It was contended that, although the learned Single Judge observed that such a premise could not, by itself, sustain a finding of guilt, the learned Single Judge nevertheless erred in treating it as merely an ancillary inference, notwithstanding that it was material to the conclusion of the Inquiring Authority and had been relied upon by both the Disciplinary Authority and the Appellate Authority.

17. It was further submitted by learned Counsel for the Appellant that the Respondents failed to consider the letter dated 12.02.2014 issued by Third Wave to the Bank ("**Clarification Letter**"). By that letter, Third Wave clarified that the Appellant had sought a short-term loan for three days, that Third Wave had agreed to advance the same, that the Appellant had repaid the amount within the stipulated period, and that no action ought to be taken against him. It was thus contended that the Respondents returned perverse and contradictory findings in holding that the amount advanced by Third Wave was not a loan and had been misappropriated by the Appellant, while

simultaneously acknowledging that the amount was credited back to Third Wave on 02.01.2014.

18. Learned Counsel for the Appellant submitted that, in relation to Charge No. 2, the learned Single Judge failed to note that Regulation 16 of the Central Bank of India Officer Employees' (Conduct) Regulations, 1976 ("**Regulations**"), permits an officer employee to draw salary in advance with the prior sanction of the competent authority. The Appellant had submitted an application dated 03.09.2013 seeking the prior approval of the then Chief Manager for drawing salary in advance, and the debit vouchers dated 03.09.2013 and 13.09.2013 relating to the withdrawal thereof were countersigned by the then Chief Manager, as admitted by the Management Witness. It was further submitted that the advance salary was adjusted in November 2013, together with interest, after approval by the then Chief Manager, and that the Respondents wholly disregarded this evidence.

19. It was further submitted on behalf of the Appellant that the learned Single Judge failed to consider the absence of any *mala fides* on his part, since the loan had been obtained with the consent of Third Wave and repaid within the agreed period of three days, while the salary advance had been drawn with the approval of the then Chief Manager. It was also submitted that the Appellant had served the Bank for more than 23 years, was the sole breadwinner of his family, and had sought the loan for the purpose of securing a visa for his son. In these circumstances, the penalty of removal from service was stated to be unduly harsh and disproportionate.

20. Learned Counsel for the Appellant submitted that the learned Single Judge erroneously held that the Appellant had previously been penalised for

a serious irregularity in 2012 and that such circumstance ought to be considered while assessing proportionality. It was contended that, by findings dated 19.03.2012, the departmental inquiry had concluded only that the Appellant had failed to maintain the secrecy of his password, while the allegations of misappropriation were not proved. The fraudulent transactions had instead been carried out by a miscreant who misused the passwords of several staff members. Accordingly, the Penalty Order imposed only a reduction by one stage in the time scale of pay for a period of six months.

21. Learned Counsel for the Bank submitted that the Appellant was guilty of misappropriation of funds and of dishonestly encashing a stale cheque in his own favour, thereby committing serious misconduct. It was contended that the Appellant used the Cheque in the Bank's custody, altered its particulars by adding his own name, caused it to be processed through the Bank's system, authorised the transaction in his own favour, and obtained credit in his personal account. The subsequent reversal of the amount, it was submitted by the Bank, did not absolve the Appellant of the misuse of his official position.

22. Learned Counsel for the Bank further submitted that the inquiry was conducted in accordance with the Central Bank of India Officer Employees' (Discipline and Appeal) Regulations, 1976, and in strict compliance with the principles of natural justice. The Appellant was represented by an assisting officer, was afforded an opportunity to cross-examine the Management Witness and lead evidence in his defence, and was furnished with the Inquiry Report, to which the Appellant duly submitted his response.

23. Learned Counsel for the Bank submitted that the Appellant's service record was not unblemished and that, having regard to the penalty previously

imposed by the Penalty Order, the penalty of removal from service was commensurate with the charges proved against him. It was further submitted on behalf of the Bank that bank officers hold positions of trust and that, once misconduct bearing upon integrity is established, no leniency is warranted. In such circumstances, reinstatement cannot be directed where the Bank has lost confidence in the officer.

24. We have heard learned Counsel for the Parties and considered the material on record.

25. While exercising jurisdiction under Article 226 of the Constitution of India, 1950, the High Court does not sit in appeal over findings made in departmental proceedings. As the learned Single Judge rightly noted in the Impugned Order, any interference with departmental findings is justified only where the inquiry violates the principles of natural justice, the findings are unsupported by evidence, relevant material has been ignored, reliance has been placed only on irrelevant material, or the conclusions are so irrational or perverse that they shock the judicial conscience.

26. As to Charge No. 1, the Chargesheet alleged that the Cheque was in the Appellant's custody, that the words "*A/c Rakesh Nanda*" were added after "*Yourself*", and that the stale Cheque was processed through the Bank's system and credited to the Appellant's account. The learned Single Judge found that these facts were supported by the record, including the fact that the Appellant authorised the transaction in his own favour. The purpose for which the Cheque was issued does not change this conclusion. Even if the Appellant's case that the amount was a short-term loan from Third Wave is accepted, the Cheque in the Bank's custody was processed through the Bank's

system at the Appellant's instance and credited to his personal account.

27. We concur with the findings in the Impugned Order that, during official dealings, a bank officer cannot add his own name to a cheque in the Bank's custody, have it processed through the Bank's system, and authorise the credit in his own favour. For the same reason, the learned Single Judge rightly rejected the argument that adding "*A/c Rakesh Nanda*" merely completed the payee description. The important fact is that the Cheque was used to credit the Appellant's personal account.

28. The Clarification Letter issued by Third Wave does not assist the Appellant. The learned Single Judge considered the letter and held that, even if accepted fully, it did not answer the allegation that the Appellant used his official position and the Bank's internal processes to credit the amount to his personal account. Reversal of the entry on 02.01.2014 does not make the Respondents' findings contradictory, because the misconduct concerned the manner in which the Cheque was handled and the credit obtained. This Court cannot replace that conclusion merely because the Appellant offers a different explanation based on the Clarification Letter.

29. The learned Single Judge accepted that the Inquiring Authority's observation that loans are generally advanced in round figures could not, by itself, establish guilt. However, the finding on Charge No. 1 was based on the overall record, including the processing of the Cheque, the credit to the Appellant's personal account, and the use of a Cheque that had become stale. Even without that observation, the evidence was sufficient to sustain Charge No. 1. We find no error in this conclusion.

30. As to Charge No. 2, Regulation 16 of the Regulations bars an officer employee from drawing salary in advance or overdrawing his account without prior approval of the competent authority. However, Charge No. 2 was not limited to the absence of approval as it also concerned advances of ₹42,000/- against a net salary of ₹28,715.20/-, their non-adjustment against the salary for the relevant month, and their repayment through cash deposits in November 2013. The Impugned Order has noted that the Appellant did not dispute these facts and that the initial approval did not answer the full charge. Recovery of interest may reduce the financial impact, but it does not remove the financial irregularity committed by the Appellant. Therefore, we are of the considered view that the finding on Charge No. 2 was based on the Bank's documents, the evidence of the Management Witness, and admitted facts. Accordingly, the same cannot be said to be unsupported by evidence.

31. On the submissions regarding proportionality of punishment, the learned Single Judge has considered all relevant circumstances, including the nature of the proved misconduct, the Appellant's position, and his past record. Relying on ***Chairman & Managing Director, United Commercial Bank v. P.C. Kakkar***, (2003) 4 SCC 364, the learned Single Judge held that a bank officer must act with utmost integrity and protect the Bank's interests. The absence of financial loss, the return of the amount within three days, and the Clarification Letter were mitigating factors. However, they did not outweigh the misuse of official position and the resulting loss of institutional trust.

32. Regarding the 2012 departmental proceedings, the Appellant admits that he was found to have failed to keep his password confidential and was penalised by a reduction of one stage in the pay scale for six months. Having considered this past record, we agree with the learned Single Judge that the

penalty of removal from service, without disqualification for future employment, was within the range of penalties that a reasonable disciplinary authority could impose. No interference is, therefore, called for on the ground of proportionality.

33. For the aforesaid reasons, we find no error in the Impugned Order dated 06.05.2026 that requires any interference in the present Appeal, which is hereby dismissed. The pending Application is also disposed of. There shall be no order as to costs.

TEJAS KARIA, J

DEVENDRA KUMAR UPADHYAYA, CJ

SEPTEMBER 15, 2026
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