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

% **Date of decision: 04.12.2025**

\+ W.P.(C) 13824/2018

SH. SANTOSH KUMAR .....Appellant

Through: Mr. Ram Nath Jha & Mr. Mukund Kumar, Advs.

versus

STATE BANK OF INDIA AND ANR. .....Respondents

Through: Mr. Siddharth Sangal & Ms. Richa Mishra & Ms. Shreya Garg, Advs.

CORAM:
HON'BLE MR. JUSTICE AVNEESH JHINGAN

AVNEESH JHINGAN, J. (ORAL)

1. This petition was filed with four prayers but the learned counsel for the petitioner has pressed only prayer no.1 for setting aside the order dated 10.08.2018 passed by the Reviewing Committee of the State Bank of India (for short 'SBI')

2. The brief facts are that the petitioner joined the SBI as Clerk-cum-Cashier on 01.06.1995. Petitioner was working as Branch Manager in 2014 when the lapses were committed while being posted at NCC Dabrai branch. A notice dated 12.07.2014 sought explanation from the petitioner regarding disbursal of loans to forty eight accounts. The petitioner filed a response on 06.07.2015. A charge sheet dated 22.01.2015 was served upon the petitioner and on receipt of the inquiry report dated 26.03.2015, the departmental proceedings

were initiated. The petitioner filed a reply dated 13.11.2015 to the inquiry report dated 09.10.2015. The proceedings culminated in an order dated 01.03.2016 imposing the penalty of 'dismissal'. The appeal against the dismissal order was dismissed on 27.10.2017. The orders of dismissal and the appellate authority were upheld on merits by an order dated 04.05.2018, passed in W.P.(C) 4733/2018. So far as the proportionality of penalty was concerned, in view of Rule 69(3)(i) of the State Bank of India Officers Rules, 1992 permitting the Reviewing Authority to call for the record of the case within six months from the date of the final order and pass such orders as deemed fit, the Reviewing Committee was directed to look into the issue of proportionality of penalty. In pursuance to the directions of this court the impugned order was passed on 10.08.2018, upholding the dismissal.

3. Learned counsel for the petitioner submits that the directions of this court were not complied with by the Reviewing Committee. The issue that no financial loss was caused by the conduct of the petitioner was not considered. The argument is that no reasons are given for upholding the penalty of dismissal. The decision of the High Court of Allahabad in **Committee of Management, Distt. Cooperative Bank Ltd. v. U. P. Cooperative Institutional Service Board & Ors.,** in Special Appeal No. 175 of 2005 decided on 13.03.2019 is relied upon to fortify that the recording of reasons was mandatory for the Reviewing Committee.

3.1 The contention is that the allegations against the petitioner are in fact consequent to the inaction of the Field Officer to verify the

property and submit the report. The decision of the Supreme Court in **The General Manager Personnel Syndicate Bank & Ors. v. B S N Prasad** 2025 INSC 89 is relied upon to buttress the contention that the penalty of dismissal was disproportionate and excessive.

4. Learned counsel for the respondents submits that the punishment is not shockingly disproportionate and the scope of interference in the writ petition is limited. The argument is that due to the conduct of the petitioner the bank lost confidence in him. Contention is that the allegations were proved and it was not a case where the petitioner could have continued with the bank. It is submitted that the petitioner was the sanctioning authority and cannot shift the responsibility on the Field Officer. The petitioner had to ensure that before the loan was sanctioned due procedure was followed and the required documents were available on record. It was proved that the petitioner had not worked with due diligence and integrity.

5. Heard the learned counsel for the parties at length. No other contention than those noted above is raised.

6. The order of dismissal attained finality and the only issue involved in the present petition is with regard to the proportionality of punishment.

7. The Reviewing Committee after going through the record and considering the review petition as well as the judgments relied upon passed a detailed order.

8. The scope of interference in matters relating to the quantum of punishment in disciplinary proceedings is well defined and reference in this regard is made to the decisions in the cases of:-

In **State of Meghalaya and Ors. v. Mecken Singh N. Marak** (2008) 7 SCC 580, the Supreme Court held:

> "14. In the matter of imposition of sentence, the scope for interference is very limited and restricted to exceptional cases. The jurisdiction of the High Court, to interfere with the quantum of punishment is limited and cannot be exercised without sufficient reasons. The High Court, although has jurisdiction in appropriate case, to consider the question in regard to the quantum of punishment, but it has a limited role to play. It is now well settled that the High Courts, in exercise of powers under Article 226, do not interfere with the quantum of punishment unless there exist sufficient reasons therefor. The punishment imposed by the disciplinary authority or the appellate authority unless shocking to the conscience of the court, cannot be subjected to judicial review. In the impugned order of the High Court no reasons whatsoever have been indicated as to why the punishment was considered disproportionate. Failure to give reasons amounts to denial of justice. The mere statement that it is disproportionate would not suffice."

In **Lucknow Kshetriya Gramin Bank & Anr. v. Rajendra Singh** (2013) 12 SCC 372, the Supreme Court held:

> "19.2. The courts cannot assume the function of disciplinary/departmental authorities and to decide the quantum of punishment and nature of penalty to be awarded, as this function is

exclusively within the jurisdiction of the competent authority.

19.3. Limited judicial review is available to interfere with the punishment imposed by the disciplinary authority, only in cases where such penalty is found to be shocking to the conscience of the court."

In **Chief Executive Officer, Krishna District Cooperative Central Bank Ltd. & Anr. v. K. Hanumantha Rao & Anr.** (2017) 2 SCC 528, the Supreme Court held:

"7.2. Even otherwise, the aforesaid reason could not be a valid reason for interfering with the punishment imposed. It is trite that courts, while exercising their power of judicial review over such matters, do not sit as the appellate authority. Decision qua the nature and quantum is the prerogative of the disciplinary authority. It is not the function of the High Court to decide the same. It is only in exceptional circumstances, where it is found that the punishment/penalty awarded by the disciplinary authority/employer is wholly disproportionate, that too to an extent that it shakes the conscience of the court, that the court steps in and interferes."

In **Indian Oil Corporation Ltd. v. Rajendra D. Harmalkar** (2022) 17 SCC 361, the Supreme Court held:

"19. In *Om Kumar* [*Om Kumar* v. *Union of India*, (2001) 2 SCC 386 : 2001 SCC (L&S) 1039] , this Court, after considering the Wednesbury principles and the doctrine of proportionality, has observed and held that the question of the quantum of punishment in disciplinary matters is primarily for the disciplinary authority to order and the jurisdiction of the High Courts under

> Article 226 of the Constitution or of the Administrative Tribunals is limited and is confined to the applicability of one or other of the well-known principles known as "Wednesbury principles". In *Wednesbury Case* [*Associated Provincial Picture Houses Ltd.* v. *Wednesbury Corpn.*, (1948) 1 KB 223 (CA)] , it was said that when a statute gave discretion to an administrator to take a decision, the scope of judicial review would remain limited. Lord Greene further said that interference was not permissible unless one or the other of the following conditions was satisfied, namely, the order was contrary to law, or relevant factors were not considered, or irrelevant factors were considered, or the decision was one which no reasonable person could have taken."
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> (emphasis supplied)

8.1 The Supreme Court in **Union of India & Ors. v. Managobinda Samantary** (2022) SCC OnLine SC 284, reiterated that in matters relating to the quantum of punishment the jurisdiction under Article 226 of the Constitution is not to be exercised except where the punishment is grossly disproportionate.

9. It would be apposite to summarise the lapses proved against the petitioner:-

i. The past track record of the borrowers and the properties offered were neither physically verified nor verification was mentioned in the Pre-Sanction Survey (PSS) report.

ii. Proof of assets of the borrowers and guarantors was not available in the opinion reports. The petitioner sanctioned housing loans without obtaining documentary proof to

ascertain the correctness of the information submitted by the borrowers.

iii. Instead of perusing the instructions of the bank and CIBIL reports the petitioner sanctioned loans after having confirmation from his colleagues.

iv. Approved maps in case of housing loans were not obtained by the petitioner relying upon a letter issued by the Secretary UP Government that no map was required for construction on land with an area less than 300 sq. Mtr but it was found that the letter was only to the effect that no approved maps were required for construction on land with an area less than 100 sq. mtr.

v. The housing loans sanctioned by the petitioner were not reported to the controller.

vi. The petitioner sanctioned the loans based on fake Title Investigation Report prepared by an advocate who was not empanelled with the bank.

vii. The reports relied upon by the petitioner for sanctioning the loans had no clarity of SARFAESI compliance status of the property.

viii. The loans were sanctioned by the petitioner without ascertaining the annual income of the borrowers and taking on record the income tax returns or Form-16.

ix. Full loan amounts were disbursed within a short period and no money receipts were obtained to verify the end use of loan.

x. The loans were sanctioned to accommodate the borrowers and

in some cases the properties were sold four to five times in short span to inflate the valuation.

xi. The loan was sanctioned to Lal Bahadur without assessing the repayment capacity of the borrower. At a later stage, Lal Bahadur filed the complaint against the petitioner that loan was sanctioned through middleman Kamal Singh.

xii. The Express Credit Loans were sanctioned to temporary employees of the Jila Panchayat Raj Adhikar (DPRO) based on fake documents.

10. It is argued that the Field Officer had to prepare the reports on failure of which the petitioner was dismissed. The admitted fact is that the petitioner was the sanctioning authority for disbursement of loans. There cannot be a dispute that the petitioner had to ensure compliance of due process, the required verifications were done and the reports were made part of on record.

11. The contention that no financial loss was caused to the bank shall be of no avail. It was proved that the petitioner had given a go-by to the procedure and mandatory requirements prescribed by the bank. The loans were sanctioned without physically verifying the properties offered, the end use of funds or the repaying capacity of the borrowers and without obtaining the requisite documentary proofs, the pre-sanction survey, opinion reports and approved maps. Not only this, the loans were sanctioned through a middleman to accommodate the borrowers. The Reviewing Committee rightly taking into account the cumulative effect of the misconduct concluded that the punishment

awarded is proportionate to the allegations proved against the petitioner.

12. The challenge to the order of the Reviewing Committee being a non speaking order is ill-founded. Each and every allegation was dealt with and in totality of facts and circumstances it was concluded that the petitioner was recklessly financing and was grossly negligent in protecting the interest of the bank. The Reviewing Committee passed a well reasoned order upholding the penalty of dismissal.

13. The decision in **The General Manager Personnel Syndicate Bank & Ors.** (supra) does not enhance the case of the petitioner. In the facts of that case, it was considered that the employee had dealt with more than 4800 SKCC accounts during a short period of sixty days, was under pressure from political leadership for disbursement of loans to farmers and even had a threat to life. Further that out of six customers to whom excess amounts were paid, four were made good by the customers after submission of the report by the investigating officer. Whereas in the case in hand the lapses in sanctioning of loans spanned from 26.09.2011 to 22.10.2013 and there is nothing produced to show that the lapses were due to work pressure. It would be relevant to note that this is a case where the lapses were in forty eight loan accounts.

14. There cannot be any quarrel with the proposition that a quasi-judicial authority has to pass a reasoned order for which the decision in **Committee of Management, Distt. Cooperative Bank Ltd.** (supra) is relied upon. In the case in hand, the Review Committee has passed a detailed order taking into account the legal and the factual

aspects.

15. No case is made out for this court to interfere with the proportionality of punishment or to substitute it with a lesser one.

16. The writ petition is dismissed.

AVNEESH JHINGAN, J.

DECEMBER 4, 2025
Ch

Reportable:- **Yes**