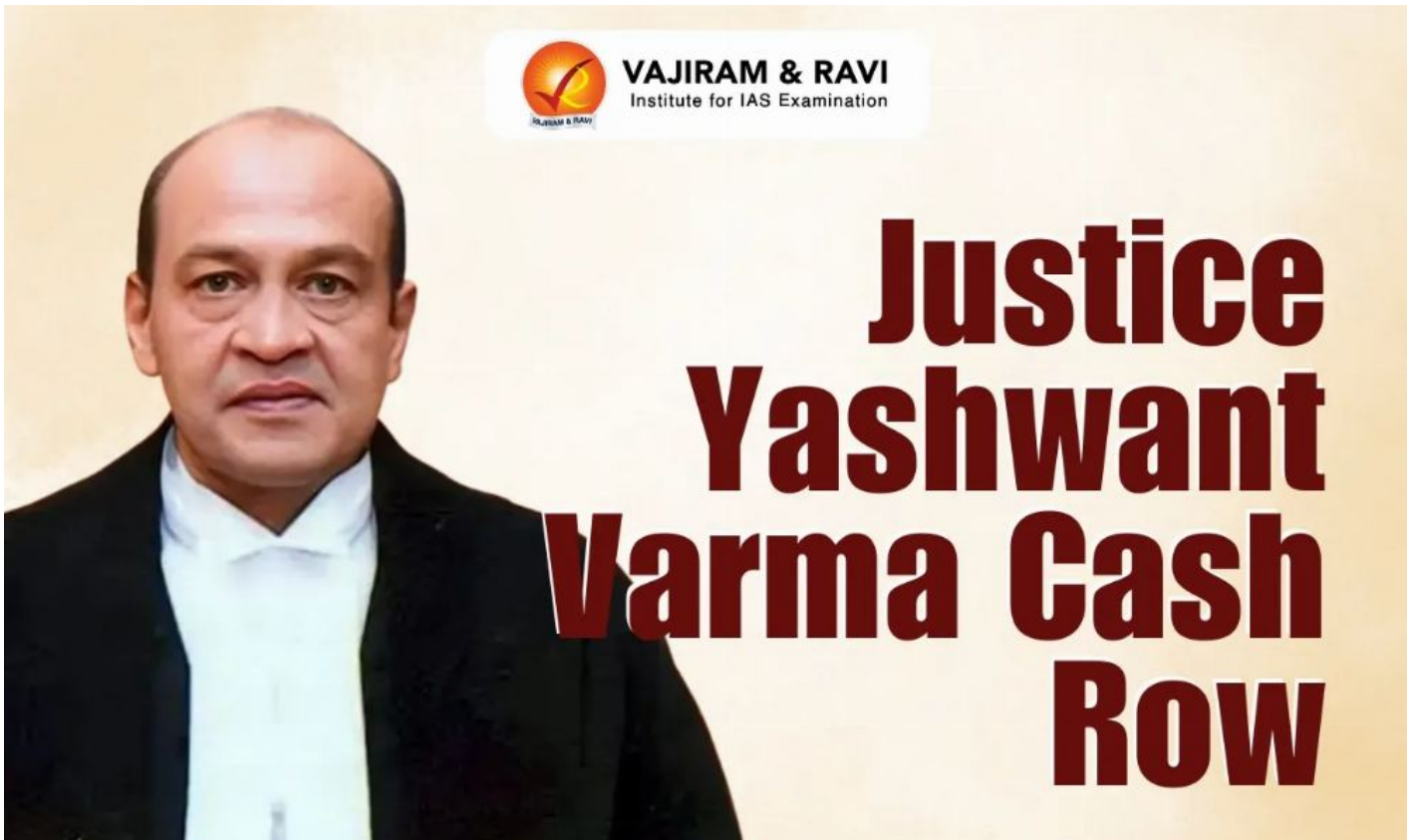


Justice Yashwant Varma Cash Row: Inquiry Finds Charges Proved and Raises Accountability Questions

August 13, 2026 • vajiramandravi.com



Justice Yashwant Varma Cash Row Latest News

- A three-member parliamentary inquiry committee has found former Allahabad High Court judge Yashwant Varma unable to explain the presence, source or ownership of a “huge quantity” of unexplained cash discovered at his official residence.
- The committee’s report, tabled in the Lok Sabha recently, also held that Justice Varma interfered with material evidence and gave misleading explanations, and rejected his argument that his withdrawal from the inquiry should end the proceedings.

Background of the Case

- Wads of burnt and partially destroyed currency notes were discovered at Justice Varma’s official bungalow in New Delhi in March 2025, when he was serving as a judge of the Delhi High Court.
- Following this, 146 Lok Sabha MPs moved a removal motion against him in August 2025.

- A **three-member committee** — comprising Supreme Court judge Justice Aravind Kumar, Bombay High Court Chief Justice Shree Chandrashekhar, and senior advocate B.V. Acharya — was constituted under the **Judges (Inquiry) Act, 1968**, to investigate the matter.

The Three Charges

- The committee framed three specific “articles of charge” against Justice Varma:
 - **Unexplained cash:** Possession of “substantial unexplained Rs 500 denomination currency notes” in a storeroom at his official residence, with no lawful explanation for their source.
 - **Interference with evidence:** Failure to preserve material evidence, leading to the unexplained disappearance of the burnt currency notes before they could be lawfully seized.
 - **Misleading conduct:** Furnishing “evasive and misleading explanations” that lacked the candour expected of a constitutional functionary.
- The committee found **all three charges proved**.

Why He Was Held Responsible for the Notes’ Disappearance

- No direct proof he removed the cash himself.
- But his secretary and attendant were seen cleaning the storeroom after the fire, turning away a guard who offered help.
- Call records show Varma was in phone contact with them that night, despite being out of town.
- He took no steps to secure the room or file a police complaint — termed a “dereliction of duty.”

Why Withdrawal Couldn’t Stop the Inquiry

- The committee said a **statutory inquiry can’t hinge on the “unilateral” decision** of the judge being probed.
- By the time of withdrawal: charges were framed, defence statements filed, nine witnesses examined and cross-examined, evidence marked.
- The panel held he’d been given a fair opportunity — he chose to walk away rather than enter the witness box.

What Happens Next

- Justice Varma had already resigned as a judge with immediate effect on April 9, 2026 — a resignation that takes effect from the date the letter is addressed to the President, without requiring formal acceptance.
- Historically, judicial resignations during inquiry proceedings — as with Justices P.D. Dinakaran and Soumitra Sen in 2011 — have **caused impeachment motions to lapse**, since the objective of removing a judge from office becomes moot once he no longer holds it.

Unresolved constitutional question

- This raises an unresolved constitutional question: ***can Parliament proceed with a removal motion against a judge who has already resigned?***
- According to jurists, impeachment is not legally possible against someone no longer holding office, and even discussion of the report in Parliament may not be permissible under the Act.
- They suggest Parliament should **amend** the Judges' Inquiry Act to address such situations for future cases.
- However, other senior advocates noted that the report's findings could **still enable criminal prosecution against Justice Varma**, since he no longer enjoys the protections available to sitting judges — while clarifying that the parliamentary inquiry was not equivalent to a criminal trial and did not establish personal ownership of the money.

Conclusion

- The Varma case exposes a critical gap in India's judicial accountability framework — a judge's resignation can effectively neutralise an ongoing impeachment process, even after serious charges are proved.
- This underscores the need to strengthen the Judges' Inquiry Act to ensure accountability keeps pace with such strategic exits.

Source: **TH | IE**

Source: <https://vajiramandravi.com/current-affairs/justice-yashwant-varma-cash-row/>

© Vajiram & Ravi. For personal use only.