



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 25TH DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE S.G.PANDIT

AND

THE HON'BLE MR. JUSTICE K. V. ARAVIND

WRIT PETITION No. 16528 OF 2025 (S-KSAT)

BETWEEN:

1. SRI N. B. SEETHARAMU,
RTD. ASST. EXECUTIVE ENGINEER,
AGED ABOUT 68 YEARS,
S/O N. T. BANDIAIAH,
R/O No.177, SRI RANGAKRUPA,
6TH MAIN, 2ND BLOCK, R.T.NAGAR,
BENGALURU - 560032.

...PETITIONER

(BY SMT. SUMA, ADVOCATE FOR
SRI. K.B. NAVEEN KUMAR, ADVOCATE)



AND:

1. THE ADDITIONAL CHIEF SECRETARY,
PUBLIC WORKS PORT AND INLAND WATER
TRANSPORT DEPARTMENT,
VIKASA SOUDHA,
BENGALURU - 560001.
2. THE CHIEF ENGINEER,
COMMUNICATION AND BUILDINGS (SOUTH),
PUBLIC WORKS PORT AND INLAND WATER
TRANSPORT DEPARTMENT,
BENGALURU - 560001.



3. THE ACCOUNTANT GENERAL (A AND E),
KARNATAKA CIRCLE,
PARK HOUSE ROAD,
BENGALURU - 560001.

...RESPONDENTS

(BY SRI V. SHIVAREDDY, AGA)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO SETTING ASIDE IMPUGNED ORDER AGAINST THE PETITIONER PASSED BY HONBLE KSAT IN A.No.3923/2024 DATED 09/01/2025 PRODUCED AS (ANNEXURE-AD).

THIS PETITION, COMING ON FOR PRELIMINARY HEARING, THIS DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE S.G.PANDIT
and
HON'BLE MR. JUSTICE K. V. ARAVIND

ORAL ORDER

(PER: HON'BLE MR. JUSTICE K. V. ARAVIND)

Heard Smt. Suma, learned counsel appearing for Sri K.B. Naveen Kumar, learned counsel for the petitioner, and Sri V. Shivareddy, learned Additional Government Advocate for the respondents.

2. This writ petition is filed by the applicant in Application No.3923/2024, impugning the order dated 09.01.2025 passed by the Karnataka State Administrative Tribunal, Bengaluru (for short, 'the Tribunal').



3. The petitioner, while working as Assistant Executive Engineer, KUIDFC, Bengaluru, on deputation, was subjected to registration of an FIR by the Lokayukta Police in Crime No.8/2014 on 25.08.2014 on the allegation of possession of disproportionate assets. A raid was conducted on 26.08.2014 at the premises of the petitioner. The petitioner was placed under suspension on 25.10.2014, which came to be quashed by the Tribunal on 04.03.2015, and he was reinstated into service on 02.06.2015. The petitioner retired from service on 28.02.2018 on attaining the age of superannuation. The pensionary benefits, arrears of salary, and increments were withheld due to the pendency of the enquiry before the Upa-Lokayukta. When such action was questioned in Application No.6996/2018 before the Tribunal, by order dated 10.07.2019, the Tribunal directed the authorities to release all pensionary and other benefits, if any, with the existing rate of interest applicable to the applicant.

3.1 The petitioner thereafter made a representation seeking release of the pensionary benefits. Earned leave encashment and DCRG were released on 13.12.2019 and 04.06.2020



respectively. During the pendency of the contempt application, the pensionary benefits were released with interest at the rate of 8% on payment of DCRG and earned leave encashment. Alleging non-compliance with the order of the Tribunal, the petitioner preferred Application No.4681/2022. In the said application, a calculation memo was filed. The Tribunal allowed the application in-part on 29.11.2023, directing the petitioner to submit a representation and the authorities to consider the same. Pursuant to the orders of the Tribunal, the retirement benefits were settled.

3.2 The petitioner thereafter made a representation seeking grant of interest on the stagnation increment. An endorsement dated 30.01.2024 was issued stating that there is no provision in the Government Order dated 02.09.2004 to pay interest on arrears of salary arising out of revision of stagnation increment. The said endorsement was the subject matter of Application No.3923/2024, which has been decided by the impugned order. The Tribunal held that, in view of the Government Circulars, the petitioner is not entitled to interest on salary and other allowances.



4. Smt. Suma, learned counsel appearing for Sri K.B. Naveen Kumar, learned counsel for the petitioner, submits that the withholding of arrears of salary or pensionary benefits is not permissible. It is contended that the non-settlement of pensionary benefits caused hardship to the petitioner and that he is entitled to be compensated. It is further submitted that, in view of the pendency of the criminal case against the petitioner, the retirement benefits were not settled. It is also submitted that, without any statutory backing, the petitioner has been denied interest on the delayed payments.

5. We have considered the submissions made by the learned counsel for the parties.

6. The present petition has a chequered history. On several occasions, the settlement of pensionary benefits was denied, compelling the petitioner to approach the Tribunal and also this Court. Pursuant to the orders passed by the Tribunal and this Court, the authorities have settled the pensionary benefits, which include DCRG, CVP, leave encashment, revised DCRG, revised pensionary benefits, and revised CVP. The only dispute that now survives is with regard to the entitlement to interest



on the revised pension, which arose on account of non-payment of the stagnation increment. The revised pension has been computed by taking into consideration the stagnation increment. The withholding of certain retirement benefits was stated to be on account of the pendency of enquiry initiated by the Upa-Lokayukta alleging possession of disproportionate assets. In order to examine the correctness and justification of such withholding, we directed the learned Additional Government Advocate to file an affidavit indicating whether any enquiry was pending as on the date of retirement of the petitioner and, if so, to state the result of such enquiry.

7. In compliance with the order of this Court, an affidavit has been filed by the Chief Engineer, Department of Public Works, K.R. Circle, Bengaluru. According to the affidavit, a raid was conducted on 26.08.2014 and thereafter a suo motu complaint was registered under the provisions of the Prevention of Corruption Act, 1988 alleging possession of disproportionate assets. An FIR was registered in Crime No.8/2014. The petitioner retired from service on 28.02.2018. It is stated that an enquiry officer was appointed and articles of charge were



served on 05.09.2019, which are stated to be pending consideration. It is to be noted that as on the date of retirement of the petitioner on 28.02.2018, no proceedings authorising the withholding of retirement or pensionary benefits were pending. Insofar as Crime No.8/2014 is concerned, nothing is placed on record through the affidavit to indicate whether cognizance had been taken prior to the date of retirement of the petitioner. Further, the articles of charge were issued on 05.09.2019, whereas the petitioner had already retired on 28.02.2018. Unless articles of charge are issued, it cannot be said that an enquiry is pending. The reliance placed by the Government, which has been accepted by the Tribunal, on the Government Order dated 02.09.2004 governing payment of interest, can be appreciated only if the withholding of the benefits was lawful.

8. The correctness of withholding the retirement benefits was questioned by the petitioner before the Tribunal, wherein the Tribunal directed release of the benefits with applicable interest. Once it is held that the withholding of financial benefits was without the sanction of law, and the amounts are



directed to be released subsequently, the delay in making the money available to the petitioner, to which he was otherwise entitled, has to be compensated.

9. In the present case, the non-sanctioning of the stagnation increment, though it had been sanctioned by the competent authority, is not for any justifiable reason. When the petitioner is deprived of an amount to which he is lawfully entitled, the loss or deprivation of the benefit of such amount must be compensated by the respondent authorities. As we have held that the non-sanctioning of the stagnation increment and the withholding of benefits such as salary, additional increments and stagnation increment were not justified, the petitioner is entitled to interest. The rate of interest shall be the applicable rate prescribed under the Government Circular governing payments made to retirees.

10. In the light of the above, we hold that the petitioner is entitled to interest on the delayed payments i.e., stagnation increment and arrears thereon. The eligible interest, in the light of the observations made above, shall be computed and



the payment shall be made within three months from the date of production of a copy of this order.

11. With the above observations, the writ petition stands ***disposed of.***

**Sd/-
(S.G.PANDIT)
JUDGE**

**Sd/-
(K. V. ARAVIND)
JUDGE**

VBS
List No.: 1 SI No.: 29