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

\+ W.P.(C) 4798/2024 & CM APPL. 19673/2024

RAVINDER SINGH ACHREJA .....Petitioner

Through: Ms. Shrishti Prabhakar and Mr. Manan Wadhwa, Advocates.

versus

BANK OF BARODA & ANR. .....Respondents

Through: Mr. Brijesh Kumar and Ms. Arani Mukherjee, Advocates.

CORAM:
HON'BLE MR. JUSTICE SANJEEV NARULA

O R D E R

% **06.05.2026**

1. This writ petition seeks issuance of a direction to Respondent Nos. 1 and 2 to pay interest at the rate of 8% per annum on the delayed disbursement of pension/arrears of pension. The Petitioner also assails the email communication dated 3rd March, 2023 issued by Respondent No. 1, whereby his claim for payment of interest was declined on the ground that the applicable pension regulations do not provide for the same.

2. The Petitioner was appointed as an Officer (Grade-I) with Vijaya Bank (which subsequently stood merged with the Respondent Bank), *vide* appointment order dated 5th March, 1976, and joined service on 24th May, 1976.

3. The Petitioner states that he suffered an accident by slipping down the stairs on 2nd April, 1995 and was advised to undergo a surgery at USA for

his treatment. He applied for leave of 89 days from 15th April, 1995 to 12th July, 1995. However, this led to the bank issuing a letter dated 26th September, 1995 alleging that the Petitioner had remained unauthorisedly absent. There was subsequent correspondence between the parties with the Petitioner seeking extension of leaves and the Respondent Bank asking the Petitioner to resume duties. This, in turn, led to initiation of disciplinary proceedings, which culminated in order dated 9th October, 1998 whereby the disciplinary authority imposed a major penalty of compulsory retirement of services on the Petitioner.

4. Aggrieved, the Petitioner preferred a departmental appeal, which came to be rejected by the Appellate Authority by order dated 30th March, 1999. The Petitioner thereafter instituted W.P.(C) 1443/2002 before this Court challenging the aforesaid penalty; however, the same was dismissed by order dated 4th February, 2013.

5. Subsequent thereto, the Petitioner approached the Respondent Bank for release of pensionary benefits on account of his compulsory retirement. It is stated that arrears of pension for the period from 9th October, 1998 to 5th September, 2013 were eventually credited to the Petitioner's account on 7th October, 2013, after a delay of nearly fifteen years.

6. Thereafter, on 30th October, 2017, the Petitioner submitted a representation seeking payment of interest on account of the delayed disbursement of pension/arrears, followed by certain reminders. The said request, however, came to be rejected. In particular, the Petitioner impugns the email communication dated 30th March, 2023, whereby his claim for payment of interest was declined by Respondent No. 1.

7. Counsel for the Petitioner submits that the Petitioner is entitled to

payment of interest on account of the inordinate delay of nearly fifteen years in disbursement of pension. It is contended that there is no dispute as to the Petitioner's entitlement to pensionary benefits, and that the obligation to process and release the same squarely lay upon the Respondent Bank. Despite this, the Bank failed to take timely steps to ensure disbursement, resulting in prolonged deprivation of the Petitioner's rightful dues. In these circumstances, it is urged that the Respondent Bank be directed to pay reasonable interest on the delayed payment for the relevant period.

8. On the other hand, counsel for the Respondent Bank submits that the Petitioner is not entitled to any interest, as the delay is attributable solely to him. It is contended that the processing of pension required submission of requisite documentation by the Petitioner, which was not furnished until 2013. It is only upon completion of the necessary formalities, including submission of declarations and exercise of option for commutation, that the Respondent Bank processed the claim and released pension along with arrears within a period of approximately 25 days. It is, therefore, submitted that there was no delay on the part of the Respondent Bank, and that a party responsible for the delay cannot claim interest on equitable grounds. It is further contended that the claim is, in any event, liable to be rejected on account of delay and laches.

9. It is further submitted that an excess amount of ₹11,35,747.36 was inadvertently paid to the Petitioner while disbursing the pensionary benefits, on account of a computational error. Although the said amount has not been recovered, having regard to the Petitioner's residence outside India and the attendant administrative inconvenience, it is contended that the excess payment remains undisputed. In these circumstances, it is urged that the

grant of interest would be wholly unwarranted.

10. The Court has considered the aforenoted submissions. It is not in dispute that the Petitioner, having been compulsorily retired from service, was entitled to pensionary benefits. The Respondent Bank does not contest such entitlement; rather, it has released the pension along with arrears in the year 2013. This clearly establishes that the arrears had accrued and remained with the Respondent Bank, and that the disbursement thereof was effected only in 2013.

11. In the aforesaid backdrop, the principal question that arises for consideration is whether the delay in release of pension is attributable to the Petitioner, or whether the Respondent Bank can be held liable so as to warrant payment of interest. Although the material on record indicates that the Petitioner completed the requisite formalities in the year 2013, it is well settled that pension is not a bounty to be granted at the discretion of the employer, but an incidence of service and a vested right accruing from the services rendered by the employee.[1] Significantly, the Respondent Bank has failed to place on record any material to show that it had, at any point of time, duly informed or assisted the Petitioner in completing the requisite formalities for the release of pension.

12. Furthermore, under the applicable pension scheme, both the employee and the employer contribute to the pension fund during the course of service, which is maintained by the employer and utilised for generating income for members of the fund. In the present case, the amount representing the Petitioner's pension remained with the Respondent Bank for nearly fifteen

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[1] Deokinandan Prasad v. State of Bihar, (1971) 2 SCC 330; Vijay Kumar v. Central Bank of India, 2025 SCC OnLine SC 1442;

years. It cannot be doubted that, since the dues were not released to the Petitioner until 2013, the Petitioner's contribution, forming part of the corpus, would have continued to generate returns for the Bank during this period, even though the Petitioner himself was deprived of the benefit thereof.

13. In the foregoing circumstances, and on equitable considerations, this Court is inclined to hold in favour of the Petitioner. The Respondent Bank, being an institutional employer, bears a corresponding obligation to act with diligence and fairness, ensuring facilitation and timely disbursement of pensionary benefits. It cannot be permitted to adopt a passive stance and subsequently contend that, in the absence of initiative on the part of the employee, no liability arises for delayed disbursement. Pension, being a measure of post-retiral social security, is intended to sustain an employee in the later years of life, and the Petitioner cannot be deprived of its timely receipt.

14. Accordingly, in view of the admitted delay in release of pension, the Petitioner shall be entitled to interest at the rate of 6% per annum for the period of delay, to be computed from the date on which the pension became due till the date of actual payment.

15. It is further noted that an excess amount of ₹11,35,747.36 has been paid to the Petitioner. The said amount shall be adjusted against the interest liability computed in terms of this order. In the event the excess payment exceeds the interest payable, no further amount shall be due; conversely, any shortfall shall be paid to the Petitioner by the Respondent Bank within a period of eight weeks from the date of such computation and adjustment.

16. The computation shall be communicated to the Petitioner, as well as

to counsel appearing on his behalf, along with a detailed computation sheet.

17. With the above directions, the petition is disposed of, along with pending application.

SANJEEV NARULA, J

MAY 6, 2026/*hc*