



2026:DHC:5117



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

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*Reserved on: 5th February, 2026
Pronounced on: 16th June, 2026*

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RFA 600/2024, CM APPL. 29628/2025

SANJAY VERMA

S/o Shri Mahendra Nath Verma,
R/o 50, E-SPACE, Nirvana Country,
Sector 50, Gurgaon-122018.

.....Appellant

Through: Mr. S.C. Anand Advocate.

versus

AITHENT TECHNOLOGIES PVT. LTD.

Through its Chief Executive Officer,
A-186, Okhla Industrial Area, Phase-I,
New Delhi-110020.

.....Respondent

Through: Ms. Venancio D'Costa and Ms. Gauri
Goel, Advocates.

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

JUDGEMENT

NEENA BANSAL KRISHNA, J.

1. The present Regular First Appeal under Section 96 read with Order XLI of the Code of Civil Procedure, 1908 has been preferred by the Appellant/Plaintiff, **Sanjay Verma**, assailing the Judgment and Decree dated 28.03.2024, whereby the Suit for Recovery of Rs.16,49,713/- filed by the Appellant/Plaintiff came to be dismissed, by the learned District Judge.

2. The Appellant/Plaintiff instituted the **CS DJ No.13384/2016** seeking recovery of Rs.16,49,713/- against the Respondent Company towards *deferred salary, compensation bonus, transfer allowance, gratuity and interest*.

3. *Briefly stated*, the case of the Appellant/Plaintiff was that he joined the services of the Respondent Company on 28.07.1992 and resigned on 02.03.2005



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from the post of *Vice President, Technology*. At the time of his resignation, he was drawing a gross monthly salary of Rs.1,42,333/-.

4. During the financial year 2002-2003, the Respondent Company faced financial difficulties on account of substantial investments in infrastructure and delayed payments from its overseas affiliated entities. Consequently, in March 2002, the Defendant Company decided to *defer a portion of the salaries payable* to employees, drawing salaries above Rs.12,000/- per month, for the financial year 2002–2003 on a graded scale of 15%, 20%, 25% and 30% depending upon the salary range. *The employees were also promised one month's salary, as bonus compensation, to offset the financial hardship occasioned by the deferment of salaries.* The deferred salary was to be paid on 01.04.2003.

5. Appellant/Plaintiff stated that during an Open-House Meeting held on 09.08.2002, Management announced restoration of salaries of employees in the lowest salary group of Rs.12,000/- to Rs.20,000 per month, with effect from 01.10.2002, and assured that the case of other employees falling in other salary groups including the Plaintiff, would also be reviewed and their deferred salaries, would be released.

6. As per the Appellant/Plaintiff, the said announcement had been made with the approval of the CEO of the Defendant Company, who had sent an e-mail dated 09.07.2002 Ex. PW2/1 to Mr. Raju Ahluwalia, with copies to Mr. Ajay Malik and the Appellant/Plaintiff, regarding the preponement of the decision to restore salaries to the earlier levels.

7. The original salary of the Appellant/Plaintiff of Rs.1,42,333/- stood restored w.e.f. 01.04.2003; however, the Respondent Company sought further time to pay the arrears of deferred salary and compensation bonus. The



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Appellant/Plaintiff further stated that despite repeated demands, the Respondent Company failed to release the said amounts.

8. The Appellant/Plaintiff resigned from the Respondent Company on 02.03.2005 and claimed that he would not have continued with the Respondent Company during the relevant period at a reduced salary, except on the assurance that the reduced component would be paid later along with bonus.

9. The Plaintiff has also relied upon a communication dated 01.04.2005, issued by the CEO of the Respondent Company assuring clearance of his dues by 31.05.2005. However, payment of the deferred salary and compensation bonus, continued to be postponed, despite repeated requests.

10. The Plaintiff on 20.03.2006 sent a letter demanding payment of his dues. The Respondent Company paid only a sum of Rs.1,00,003/- after deduction of TDS towards salary for two days of March, 2005 and leave encashment, while the other dues remained unpaid.

11. The Appellant/Plaintiff's claimed that his salary was subjected to a reduction of 30% and accordingly, a sum of Rs.48,450/- per month was reduced from his salary for the period from April 2002 to March 2003. He was entitled to a total of Rs.5,81,400/-, as arrears of deducted salary. In addition, the Appellant/Plaintiff claimed one month's gross salary of Rs.1,42,333/- as compensation bonus.

12. Additionally, the Appellant/Plaintiff claimed an amount of USD 4000(exchange rate \$1 = ₹45), equivalent to Rs.1,80,000/-, towards *transfer allowance* allegedly promised by the Respondent Company *vide* e-mails dated 05.10.2004 and 06.10.2004 and payable on account of his transfer, from New York, USA to New Delhi.

13. He further claimed Rs.3,50,000/- towards *gratuity*, which become due on 03.03.2005.



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14. The Appellant/Plaintiff instituted the Suit *seeking recovery of Rs.16,49,713/- along with interest @ 12% per annum.*

15. The Respondent Company filed the *Written Statement* and raised a preliminary objection regarding territorial jurisdiction on the ground that the employment of the Appellant/Plaintiff, pertained to Gurgaon.

16. *On merits*, the Respondent Company denied that the salary had been deferred. It was asserted that *the salaries of employees were restructured*, in view of prevailing financial circumstances and that no agreement existed for repayment of the reduced component of salary, at any later stage.

17. The Respondent Company further asserted that the Appellant/Plaintiff, along with other members of the Management team, was responsible for the decision relating to restructuring of salaries. It was also contended that the Appellant/Plaintiff did not raise any grievance during his employment and the claim was raised only after his resignation.

18. With respect to one month's salary claimed as bonus, the Respondent Company stated that it was contemplated only as a "*loyalty bonus*" after the Company regained financial health; it was *not a legal commitment, but merely a moral incentive*.

19. The Respondent Company denied that any amount was due and payable to the Appellant/Plaintiff at the time of his resignation, on 02.03.2005.

20. On the basis of pleadings, the learned Trial Court framed the following *Issues* on 01.06.2007:

“1. Whether this court has territorial jurisdiction to try this suit? OPP

2. Whether plaintiff was a party to the restructuring of the salary as alleged by the defendant? OPP

3. Whether plaintiff was a party to the restructuring of the salary and hence estopped from bringing this suit?

4. Whether a part of salary of plaintiff had been deferred with any assurance, as alleged? OPP



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5. Whether plaintiff was assured. any bonus? If so, to what extent? OPP
6. Whether plaintiff is entitled to any gratuity? If so, at what rate and for which period? OPP
7. Whether plaintiff is entitled to the suit amount? OPP
8. Whether plaintiff is entitled to any interest on the suit amount? If so at what rate and for what period? OPP
9. Relief ”

21. In support of his case, the Appellant/Plaintiff examined himself as **PW-1** and tendered his affidavit in evidence. He relied upon documents exhibited as Appointment Letter dated 01.12.2001 Ex.P-1, Letter dated 01.11.2001 regarding benefits and allowances Ex.P-2, relieving/experience letter Ex.P-3, salary slips for March 2003 and April 2003 Ex.P-4, email dated 01.04.2005 and letter dated 21.03.2006 as Ex. PW-1/20, etc.

22. The Appellant/Plaintiff also examined **PW-2**, Mr. Sunil Vadhera who corroborated that during the Financial Year 2002-2003, salaries of certain employees had been deferred on a graded scale due to temporary cash flow issues faced by the Respondent Company.

23. The Respondent Company examined **DW-1**, Mr. Bunty Bisht, Manager, who reiterated the stand taken in the Written Statement. He deposed that the reduction in salary was a restructuring exercise and not deferment of salary. He relied upon the photocopy of the Minute Book Ex.DW-1/A. The Respondent Company also relied upon letter dated 28.03.2006 **Ex.D-1** and registered A.D. card **Ex.D-2**, which had been admitted during admission and denial of documents.

24. The *learned Trial Court after considering the rival contentions and the evidence*, held that the Appellant/Plaintiff had failed to prove that any part of his salary was deferred with an assurance that it would be repaid on 01.04.2003 or at any later stage. It was also held that the Appellant/Plaintiff had failed to



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prove any enforceable assurance regarding payment of one month's salary as bonus.

25. The learned Trial Court further rejected the claim of Rs.1,80,000/- towards transfer allowance, holding that the e-mails relied dated 05.10.2004 and 06.10.2004 Mark PW-1/B upon had not been proved in accordance with section 65B of the Indian Evidence Act. moreover, the claim was, in any event, barred by limitation since it pertained to the year 2001, while the present Suit had been filed in 2006.

26. The claim for gratuity was also rejected on the ground that the Appellant/Plaintiff failed to prove continuous employment with the Respondent Company from 28.07.1992, as alleged. The learned Trial Court noted that the Appointment letter Ex.P-1 relied upon by the Appellant/Plaintiff showed his appointment as Vice President, Technical with effect from 01.11.2001.

27. Accordingly, the Suit of the Appellant/Plaintiff was dismissed *vide* Judgment and Decree dated 28.03.2024.

28. Aggrieved by the aforesaid Judgment and Decree dated 28.03.2024, the ***present Appeal has been preferred.***

29. The ***grounds of challenge*** are that the learned Trial Court erred in treating his service with the Respondent Company, as not continuous. It is contended that the learned Trial Court failed to properly appreciate the admitted Certificates/documents Ex.P-1 and Ex.P-2 and wrongly rejected the claim for gratuity of Rs.3,50,000/-, which according to the Appellant/Plaintiff, became due on 03.03.2005. The Appellant/Plaintiff has also claimed interest @ 12% per annum on the said amount from the due date till realization.

30. It is further contended that the learned Trial Court failed to consider the claim for transfer allowance payable on account of the Appellant/Plaintiff's transfer from New York, USA to New Delhi. The Appellant/Plaintiff has relied



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upon Ex.P-1, Ex.P-2, Ex.P-3 and other documents to contend that an amount of USD 4000 was payable to him, which, according to him, amounted to Rs.1,80,000/- at the exchange rate of Rs.45/- per USD prevalent at the time of filing of the Suit.

31. It is contended that the Trial Court Judgment is self-contradictory, inasmuch as while it relies upon decisions emphasizing the importance of Board Resolutions, but it fails to notice that no Board Resolution was produced by the Respondent to show restructuring of salary. The Appellant/Plaintiff has relied upon the e-mail dated 09.07.2002 Ex. PW1/2 and connected e-mails, to contend that the salary was “deferred” and not restructured.

32. It is further contended that the e-mails relied upon by the Appellant/Plaintiff are admissible in terms of Section 88-A of the Indian Evidence Act, 1872. It is also submitted that the decisions relied upon by the learned Trial Court pertain to internal shareholder disputes and lack of personal liability of Directors and do not deal with the liability of a Company for commitments made to its employees by its Directors. Reliance is also placed upon the letter issued by the CEO/Director dated 01.04.2005, wherein interest was allegedly promised, in case of delay in payment.

33. The Respondent in his *Written Submissions* supported the impugned Judgment and contended that the reduction in salary during the Financial Year 2002-2003, constituted a restructuring of remuneration necessitated by the financial difficulties faced by the Company and not a deferment of salary. It was submitted that no document existed evidencing any commitment to repay the reduced component of salary and that the Appellant/Plaintiff had raised no claim in this regard, during his employment.

34. The Respondent stated that the Appellant was not entitled to gratuity since, according to the Respondent, he had been appointed as Vice-President



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(Technology) w.e.f. 01.11.2001 and had resigned on 02.03.2005, thereby not completing five years of continuous service as required under Section 4 of the Payment of Gratuity Act, 1972.

35. In respect of the claim towards transfer allowance of USD 4,000, it was submitted that the emails relied upon by the Appellant, had not been proved in accordance with the provisions of the Indian Evidence Act. It was further contended that the said claim pertained to the year 2001 and was therefore, barred by limitation.

36. The Respondent also relied upon the decision of this Court in Aithent Technologies Pvt. Ltd. v. Archana Verma (RFA 608/2014, decided on 06.08.2018) to contend that the salary reduction undertaken during the Financial Year 2002-03 constituted a restructuring of remuneration and not a deferment, and that no agreement or document existed showing any enforceable obligation to repay the reduced salary at a later stage.

Submissions heard and record perused.

37. It is the case of the Appellant/Plaintiff, Mr. Sanjay Verma, that he joined the Defendant Company on 28.07.1992 and continued in its employment till 02.03.2005. He stated that in 1995, he was sent to the U.S.A. and worked there for about six years as Head of Technology. Thereafter, he returned to India and joined as Vice President (Technology) with effect from 01.11.2001. The Experience Certificate dated 02.03.2005 issued by the Defendant Company, Ex. P-3, records that the Plaintiff had worked with the Defendant Company from 28.07.1992 to 02.03.2005, including six years in the New York office.

38. The Plaintiff relied upon the letters dated 01.11.2001 Ex. P-1 and Ex. P-2 in respect of his salary and allowances. He also relied upon the salary slips for March 2003 and April 2003, collectively exhibited as Ex. P-4. As per the Plaintiff's case, his monthly salary prior to the reduction implemented during



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Financial Year 2002-03, was Rs.1,42,333/-. Indisputably, the salary was reduced for one year and a sum of Rs.48,450/- per month was deducted therefrom, towards deferred salary.

39. The entire controversy, *of reduced salary for one year during Financial Year 2002-03s is whether it was deferred salary to be paid in the next year or was it a part of restructuring of salary.*

40. The Plaintiff stated that despite the Defendant Company having ended Financial Year 2001-2002 in profit, it was facing a cash-flow crunch mainly due to outstanding receivables from affiliate companies, namely Velos and Canyon Blue. According to the Plaintiff, towards the end of March 2002, a General House Meeting was convened, which was addressed by the CEO, Mr. N. Venu Gopal, and Mr. Sunil Vadhera, Director and Head of India Operations. It was explained to the employees that the financial difficulty was temporary and their cooperation was sought, to tide over the situation. The Plaintiff further stated that the suggested measure involved deferment of part of the salaries of employees on a graded scale, for a period of up to twelve months. It was also stated that after the said period, the reduced salaries would be restored to pre-deferred levels. According to the Plaintiff, the employees were also promised one month's gross salary as compensation bonus.

41. As per the Plaintiff, the deferment was implemented on a graded scale of 15%, 20%, 25% and 30% depending upon the salary bracket. Since the Plaintiff fell in the highest salary bracket, Rs.48,450/- per month was reduced from his salary for the period April 2002 to March 2003, amounting to Rs.5,81,400/-. The Plaintiff further claimed one month's gross salary of Rs.1,61,500/- as compensation bonus. Thus, according to him, Rs.7,42,900/- became due towards deferred salary and compensation bonus, as on 01.04.2003.



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42. The Defendant Company, *on the other hand*, asserted that there was no deferment of salary and that the salary structure had merely been restructured. DW-1, Mr. Bunty Bisht, in his cross-examination, also stated that the salary of employees earning above Rs.12,000/- per month was restructured and not deferred. He admitted that the salary of the Plaintiff was reduced by Rs.48,450/- per month, but stated that the Plaintiff accepted such reduction/restructuring, as he was part of the decision-making from the Indian management side. He also admitted that he had accepted the letter given by the Company regarding the deferred salary. He further admitted that his salary was restored with effect from 01.04.2003.

43. The Plaintiff also admitted that he had not given any objection at the time of deferment and that he had no written document regarding demand of deferred salary during his employment with the Defendant. He further admitted in his cross-examination that no written letter was given to him by the Company stating that his deferred salary would be paid in future. He also admitted that he had no record or document regarding deferred salary having been paid by the Defendant to other employees.

44. Though the Plaintiff has sought to characterize the arrangement as deferment of salary, but admittedly, there is no written agreement, board resolution, policy document or contemporaneous record produced by him to establish that the reduced salary component, was agreed to be paid to him on 01.04.2003 or at any future date.

45. The Plaintiff has also placed reliance upon the e-mail chain dated 09.07.2002 Ex. PW-2/1 and the connected correspondence. The said correspondence shows that the management was discussing the impact of the decision announced in April, 2002 regarding reduction of salaries and, in that context, the expression "*deferred salaries*" was used. The CEO, in his response



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dated 09.07.2002, also expressed agreement with partially reversing the decision for a category of employees with effect from 01.10.2002. However, neither the said e-mail nor the connected correspondence records any decision that the reduced component of the Plaintiff's salary would be accumulated and repaid to him on 01.04.2003 or on any other specified date. There is likewise no reference therein to payment of one month's gross salary as compensation bonus. At best, the correspondence indicates that the management was reviewing the salary reduction measures and considering restoration of salaries. It does not establish the specific pleaded case of the Plaintiff that a sum of Rs.5,81,400/- towards reduced salary and compensation bonus became due and payable to him as a matter of contractual obligation.

46. Another significant aspect is the conduct of the Plaintiff. According to him, the deferred salary became payable on 01.04.2003. However, he continued in the employment of the Defendant Company till 02.03.2005. During his cross-examination, he admitted that he had no written document regarding any demand for deferred salary during his employment with the Defendant. If the reduced salary had in fact crystallized into an admitted liability from 01.04.2003, there is no explanation as to why no written demand was ever raised by the Plaintiff during the period of almost two years thereafter, while he continued in service.

47. This conduct of the Plaintiff, in not insisting upon payment of the alleged deferred salary during his employment and raising the claim only thereafter, also supports the conclusion that there was no formal agreed policy of the Defendant Company, to repay the reduced salary as deferred salary.

48. The Plaintiff has also placed reliance upon the letter dated 01.04.2005Ex. PW-1/20, wherein the Defendant allegedly stated that if payment was not made by 31.05.2005, interest would be paid. The same is reproduced as under:



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April 1, 2005

05-08-10

Dear Sanjay,

Aithent has a history of valuing employees as partners in its growth. Our philosophy all through has been to achieve organizational objectives by dovetailing employees' personal growth plans and ambitions with organizational business objectives. The management acknowledges your valuable contribution in building Aithent and helping it achieve its business goals.

In recent times Aithent was impacted by certain environmental factors on which the management did not have control. Consequently, Aithent passed through a rough patch and despite our sincere efforts and intentions, we could not meet some of the financial commitments that we had made to you. As a result of this delay, you have gone through hardship in the past few months and I am thankful to you for your patience and thereby your exemplary support to the organization in this hour of need.

I stand personally committed to honor all my commitments and clear all your dues. In case these dues are not settled by May 31st, 2005, Aithent would pay an interest on the unpaid dues @5% per annum for the period of delay w.e.f June 1, 2005.

I once again thank you for your unflinching support and patience.

Wishing you the best in your professional and personal endeavors.

Sincerely,

N Venu Gopal
CEO

49. However, the said communication neither quantifies the alleged dues nor identifies their nature. There is no specific reference to the reduced salary for Financial Year 2002-03, no mention of compensation bonus and no recital that the salary reduction was merely a deferment to be repaid at a future date.

50. The Plaintiff also sent his Demand Letter dated 20.03.2006, wherein he demanded his dues. However, the said letter is only a demand raised by the Plaintiff himself. It does not establish that the Defendant Company had accepted any liability towards deferred salary or compensation bonus.

51. It is not disputed that there were discussions regarding payment of one month's salary bonus to employees. However, the Plaintiff has failed to place on record any material to establish that the said bonus crystallized, into a binding contractual obligation. *The consistent stand of the Defendant has been that the same was contemplated only as a loyalty incentive or moral commitment and not as a legal obligation.* In the absence of any document or other cogent evidence showing that the bonus became payable as a matter of right, the claim towards compensation bonus cannot be sustained.



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52. This conclusion also finds support from the judgment of a Coordinate Bench of this Court in *M/s Aithent Technologies Pvt. Ltd. v. Archana Verma (RFA 608/2014 decided on 06.08.2018)*, arising out of the same salary restructuring exercise undertaken by the Respondent Company, during the Financial Year 2002-03. The Coordinate Bench, while examining a similar claim of deferred salary, observed that there was no material on record to establish any arrangement of deferment and consequently, set aside the decree granted by the Trial Court.

53. Thus, the learned Trial Court has correctly appreciated the evidence in so far as the claim towards deferred salary and compensation bonus is concerned.

54. The Plaintiff has **further claimed USD 4,000, equivalent to Rs.1,80,000/-, towards transfer allowance on account of his transfer from the U.S.A. to India.** He has relied upon e-mails dated 05.10.2004 and 06.10.2004, Mark PW-1/B. However, the learned Trial Court has rightly held that the said e-mails were not proved in accordance with law, as no certificate under Section 65B of the Indian Evidence Act was filed and proved. Moreover, the claim pertained to the year 2001, whereas the Suit was instituted in the year 2006. ***The claim towards transfer allowance was, therefore, rightly rejected and also rightly held to be time barred.***

55. The Plaintiff has also claimed **gratuity of Rs.3,50,000/-**. In this regard, Ex. P-3 assumes significance, which has been admitted by the Defendant. The said Experience Certificate, issued by the Defendant Company itself, records that the Plaintiff worked with the Defendant Company from 28.07.1992 till 02.03.2005, including a period of six years in the New York office and records that during his tenure, he served the Company in various capacities including Project Manager, Senior Project Manager, Group Leader and Vice President (Technology).



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56. Furthermore, DW-1, in his cross-examination, stated that the Plaintiff joined the Defendant Company in India in November, 2001 and prior thereto, was working with the Defendant Company in New York, U.S.A. He also admitted that he had no document to show that the Plaintiff had resigned from the Defendant Company, before shifting to U.S.A.

57. In view of Ex. P-3 and the admission of DW-1 that he had no document to show that the Plaintiff had resigned before shifting to the U.S.A., the finding of the learned Trial Court that the Plaintiff failed to establish continuous service, cannot be sustained. The material on record *prima facie* indicates that the Plaintiff remained in the service of the Defendant Company from 28.07.1992 till 02.03.2005.

58. However, the claim raised by the Plaintiff is essentially one for gratuity payable under the provisions of the Payment of Gratuity Act, 1972. The determination of entitlement, computation of the amount payable and all incidental questions arising therefrom, fall within the statutory framework provided under the said Act. The Act provides a complete mechanism for adjudication of such claims before the competent Authority.

59. In these circumstances, while the reasoning adopted by the learned Trial Court for rejecting the claim for gratuity cannot be sustained, this Court does not consider it appropriate to adjudicate the claim for gratuity in the present proceedings. The Appellant/Plaintiff is accordingly granted liberty to avail of such remedies as may be available to him in law under the Payment of Gratuity Act, 1972 before the competent forum.

60. All questions relating to *entitlement, computation, limitation* and other objections are left open to be considered by the competent authority in accordance with law.



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Conclusion:

61. In view of the aforesaid discussion, the Appeal is dismissed in so far as the claims towards deferred salary, compensation bonus and transfer allowance are concerned.
62. In respect of the claim for gratuity, the Appellant/Plaintiff is granted liberty to avail of such remedies as may be available to him in law before the competent Authority/forum under the Payment of Gratuity Act, 1972.
63. Pending application (s), if any, stand disposed of.

**(NEENA BANSAL KRISHNA)
JUDGE**

JUNE 16, 2026/R