



2026:DHC:5122



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

% ***Reserved on: 05th February, 2026***

Pronounced on: 16th June, 2026

+ **RFA 601/2024, CM APPL. 52604/2024, CM APPL. 69218/2024**
CM APPL. 29627/2025

SATPAL KAUR

W/o Shri Amardeep Singh,

R/o WZ-215, G Block, Harinagar,

New Delhi-110058,

.....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

J U D G M E N T

NEENA BANSAL KRISHNA, J.

1. The present Regular First Appeal under Section 96 read with Order XLI of the Code of Civil Procedure, 1908 (*hereinafter referred to as "CPC"*) has been preferred by the Appellant/Plaintiff, Satpal Kaur, assailing the Judgment and Decree dated 28.03.2024 whereby the Suit for Recovery of Rs.4,14,021/- filed by the **Appellant/Plaintiff has been dismissed, by the learned Additional District Judge, Delhi.**



2. The Appellant/Plaintiff instituted the **CS DJ No.13355/2016** (originally numbered as CS No.85/2006) for recovery of Rs.4,14,021/- (principal amount of Rs.3,04,500/- and interest of Rs.1,09,521/-).

3. **Briefly stated**, the case of the Appellant/Plaintiff was that she joined the services of the Respondent Company on 28.09.1993 and continued in employment till 25.11.2003. At the time of her resignation, she was serving as *Senior Member Consulting Staff* at the Gurgaon branch of the Respondent Company and was drawing a gross monthly salary of Rs.61,500/-.

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 Respondent 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. The deferment was implemented on a graded scale, and since her salary exceeded Rs.60,000/- per month, 30% of her gross salary amounting to Rs.20,250/- per month, was deferred from April, 2002 till March, 2003. The deferred component aggregating to Rs.2,43,000/-, was agreed to be paid on 01.04.2003.

6. The Appellant/Plaintiff further asserted that as per the policy of deferment, she was also entitled to Rs.61,500/- i.e. one month's salary, as



bonus compensation. Hence, *a total amount of Rs.3,04,500/- was due and payable to the Appellant/Plaintiff, as on 01.04.2003.*

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

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

9. While the original salary of the Appellant/Plaintiff of Rs.61,500/-, stood restored w.e.f. 01.04.2003, the management sought more time to pay the arrears of the deferred salary along with the compensation bonus. The Appellant/Plaintiff has relied upon a communication dated 05.04.2004, issued by the CEO of the Respondent Company assuring clearance of her dues by 31.05.2004. However, payment of the deferred salary and compensation bonus, continued to be postponed, despite repeated requests.

10. The Appellant/Plaintiff thereafter, sent letters dated 30.08.2005 and 16.03.2006, the latter dispatched by Registered Post on 17.03.2006, to the Respondent Company, demanding payment of the outstanding deferred dues. The Respondent Company gave a vague and evasive reply dated 28.03.2006, which is alleged to have implicitly admitted the promise to pay. Despite the same, the Respondent Company failed to release the claimed amount.



11. The Appellant/Plaintiff instituted the present *Suit seeking recovery of Rs.4,14,021/- inclusive of interest (Rs.3,04,500/- plus interest of Rs.1,09,521/-)*.

12. The **Defendant/Respondent Company in its Written Statement**, raised a *preliminary objection* regarding territorial jurisdiction, contending that the subject matter of the Suit pertained to the employment of the Appellant/Plaintiff at Gurgaon and the disbursement of salary also took place at Gurgaon, and therefore, the Courts at Gurgaon were the appropriate venue for filing the Suit.

13. **On merits**, it was contended that there was no deferment of salary and that the salary structure of employees had **merely been restructured**, in view of prevailing business circumstances.

14. The Respondent Company denied that any Agreement existed whereby the reduced portion of salary was to be repaid, at a future date. It was further asserted that the Appellant/Plaintiff herself was part of the Management team which had participated in the decision-making process relating to restructuring of salaries, and that the Appellant/Plaintiff had sought to disguise the said decision by terming the restructuring of salary as deferred salary.

15. The Respondent Company admitted that one month's salary had been discussed as a "loyalty bonus" payable after the Company regained its financial health, but asserted that the same was neither a contractual commitment nor a legally enforceable obligation, and was contemplated only as a moral incentive.

16. The Respondent Company further explained that the open house meeting had been addressed by the core Management based in India and the



reversal of restructuring in respect of the lowest salary group, was made effective from 01.08.2002 and not 01.10.2002 as stated by the Appellant/Plaintiff. It was further asserted that the Appellant/Plaintiff had received all her entitlements at the time of her relief on 25.11.2003 and nothing remained due or payable to her thereafter.

17. The Respondent Company further denied that any amount remained due and payable to the Appellant/Plaintiff, at the time of cessation of her employment and prayed for dismissal of the Suit.

18. On the basis of the pleadings of the parties, the learned Trial Court framed the following *Issues*, on 20.07.2007:

- i. *“Whether this Court has the territorial jurisdiction to try this suit? OPP*
- ii. *Whether plaintiff was a party to the restructuring of salary as alleged by defendant? OPD*
- iii. *Whether plaintiff was a part of the management of defendant and as such estopped from bringing this suit? OPD*
- iv. *Whether a part of the salary of the plaintiff had been deferred with assurance to be paid at a later stage? OPP*
- v. *Whether plaintiff is entitled to recovery of the suit amount? OPP*
- vi. *Whether plaintiff is entitled to any interest on the suit amount? If so, for what period and at what rate? OPP*
- vii. *Relief.”*

19. The Appellant/Plaintiff examined herself as **PW-1** and tendered her affidavit Ex. PW-1/A. She relied upon her Salary Slips for March 2002 (Ex. P-1), April 2002 (Ex. P-2), April 2003 (Ex. P-3) and March 2003 (Ex. P-4), the reply dated 28.03.2006 issued by the Respondent Company (Ex. P-5), the appointment letter dated 18.11.2003 issued by M/s Sapient Corporation (Ex. PW-1/1), the pay slips issued by M/s Ishir Infotech Pvt. Ltd. (Ex. PW-



1/2 to Ex. PW-1/5), the original Salary Slips for the intervening period from May 2002 to February 2003 (Ex. PW-1/6 to Ex. PW-1/15), the letter dated 01.04.2005 written by the CEO of the Respondent Company to Mr. Praveen Malik (Ex. PW-1/16), the e-mail correspondence between the CEO and Mr. Sanjeev Matta (Ex. PW-1/17), and her own letters dated 30.08.2005 (Ex. PW-1/18) and 16.03.2006 (Ex. PW-1/19) addressed to the Respondent Company. The letter dated 11.11.2003 (Ex. PW-1/D-1) and the letter dated 15.12.2003 (Ex. PW-1/D-2), bearing her signatures, were exhibited during her cross-examination.

20. PW-2, Mr. Sunil Vadehra, former Director and Head of India Operations of the Respondent Company, supported the case of the Appellant/Plaintiff regarding deferment of salaries and the subsequent assurances extended by the Management. He relied upon a certified copy of the e-mail dated 09.07.2002 of the CEO and the connected correspondence (Ex. PW-2/1).

21. PW-3, Mr. Gurpreet Singh Bindra, former employee of the Respondent Company, deposed in support of the case of the Appellant/Plaintiff regarding re-structuring of salaries.

22. DW-1, Mr. Banty Bisht, Manager – HR of the Respondent Company, reiterated the stand taken in the Written Statement and denied existence of any agreement regarding deferred salary. He relied upon the photocopy of the Minute Book of the Respondent Company Ex. DW-1/A and the letter dated 05.04.2004 Ex. D-3, issued by the CEO of the Respondent Company to the Appellant/Plaintiff.

23. The learned ADJ, upon appreciation of the evidence led by the parties, concluded that the Appellant/Plaintiff had failed to establish any



contractual arrangement, whereby the reduced component of salary was to be repaid at a later date or that one month's salary was contractually payable as bonus. Consequently, **the Suit was dismissed *vide* Judgment and Decree dated 28.03.2024.**

24. Aggrieved by the said Judgment and Decree dated 28.03.2024, the present **Appeal** has been preferred by the Appellant/Plaintiff.

25. The ***grounds of challenge*** primarily are that the impugned Judgment is self-contradictory inasmuch as the rulings cited therein emphasise the importance of Board Resolutions, whereas there was equally no Board Resolution to restructure the salary in the first place. It is contended that the e-mail dated 09.07.2002 Ex. PW-2/1 and the connected e-mails, use the terminology "*deferred*". The decision in *Dale & Carrington Invt. (P) Ltd. v. P.K. Prathapan*, (2005) 1 SCC 212 was inapplicable to the facts in hand. Rather, the letter dated 05.04.2004 issued by the CEO of the Respondent Company Ex. D-3, established the case of the Appellant/Plaintiff.

26. The Appellant has accordingly, prayed that the impugned Judgment and Decree dated 28.03.2024 be set aside and the Suit be decreed.

27. The ***Respondent in its Written Submissions***, has contended that the salary reduction during the Financial Year 2002-2003, was a restructuring of remuneration, necessitated by the financial constraints faced by the Company and not a deferment of salary. It is further submitted that the Appellant/Plaintiff continued in service even after restoration of salary w.e.f. 01.04.2003 and did not raise any contemporaneous claim for the alleged arrears.

28. Reliance has also been placed upon the Judgment dated 06.08.2018 passed by this Court in *M/s Aithent Technologies Pvt. Ltd. v. Archana*



Verma (RFA 608/2014), wherein claims arising out of the salary restructuring exercise, were rejected.

29. The Appellant in her *Written Submissions*, has reiterated the grounds taken in the Appeal.

Submissions heard and Record perused.

30. It is the case of the Appellant/Plaintiff, Ms. Satpal Kaur, that she joined the Respondent Company on 28.09.1993 and continued in employment till 25.11.2003, last serving as Senior Member Consulting Staff at the Gurgaon branch of the Respondent Company. She tendered her resignation, which was accepted by the Respondent Company *vide* letter dated 15.12.2003 Ex. PW-1/D-2, with effect from 25.11.2003.

31. She further deposed that she was drawing a gross salary of Rs.61,500/- per month (comprising salary of Rs.56,250/- and reimbursement of Rs.5,250/-) in March 2002, as evidenced by her Salary Slip Ex. P-1, and that the said gross salary stood restored with effect from 01.04.2003, as evidenced by her Salary Slip Ex. P-3.

32. The entire controversy in the present case centres around the reduction of the Appellant/Plaintiff's salary during Financial Year 01.04.2002 till 31.03.2003. It is an admitted case that with effect from 01.04.2002, the Appellant/Plaintiff's gross salary was reduced from Rs.61,500/- per month to Rs.36,000/- per month and continued at the reduced level until 31.03.2003. It is further undisputed that with effect from 01.04.2003, the Appellant/Plaintiff's salary was restored to Rs.61,500/- per month. Thus, there was an admitted reduction in the Appellant/Plaintiff's salary for one year i.e. the period from 01.04.2002 to 31.03.2003.



33. The circumstances leading to reduction in salary for Financial Year 2002-03, were explained by PW-2 Mr. Sunil Vadehra, the then Director and Head of India Operations of the Respondent Company, who stated that the Respondent Company was a wholly owned subsidiary of Aithent Inc., New York, USA with effect from 01.01.2001. He stated that the Respondent Company had advanced an interest-free loan of Rs.739 lakhs to Aithent Inc., which increased to Rs.808 lakhs as on 31.03.2003.

34. It was further deposed that two affiliated entities, namely Canyon Blue and Velos, were among the principal clients of the Respondent Company. A substantial number of technical resources of the Respondent Company were deployed for development and maintenance of products for these entities. However, the said entities failed to make timely payments for the services rendered, resulting in significant outstanding receivables. Despite the accumulation of such dues, the Respondent Company continued to provide services, particularly to Canyon Blue.

35. The aforesaid circumstances adversely impacted the financial position of the Respondent Company and resulted in dwindling of available reserves with the Respondent Company. Towards the end of March, 2002, discussions were held within the management regarding measures to address the situation. The then Director and Head of India Operations, Mr. Sunil Vadehra, along with Mr. Venu Gopal (CEO), Mr. H.R. Ahluwalia (Vice President – HR), Mr. Sanjay Verma (Vice President – Technology) and Mr. Rajiv Gupta (Assistant Vice President – Technology), deliberated upon the issue. It was thereafter decided that the prevailing situation should be shared with the employees and their cooperation sought. Consequently, an open



General House Meeting of all employees was convened, wherein all the employees had been invited.

36. At the said meeting, Mr. Venu Gopal, CEO, and Mr. Sunil Vadehra addressed the employees, and explained the financial difficulties being faced by the Respondent Company, particularly on account of non-receipt of payments from affiliated entities, and expressed the expectation that the situation would improve in the coming months. Cooperation of the employees in helping to tide over this temporary difficulty was sought. The proposed measures were thereafter explained to the employees in detail.

37. The proposed measure involved deferment of a portion of the employees' salaries on a graded scale for a period of up to twelve months. It was represented that upon expiry of the said period, the salaries would be restored to their original levels. It was further stated that if any employee left the organisation during this period, the deferred salary together with gratuity benefits would be paid at the time of final settlement.

38. In cases where employees were receiving both monthly and annual remuneration components, the two components were merged with effect from 01.04.2002 to mitigate hardship. The employees agreed to the proposed arrangement and extended their cooperation to the management in overcoming the financial difficulties faced by the Respondent Company. The management also promised a special bonus equivalent to one month's salary to each employee.

39. As per the Appellant/Plaintiff, under the aforesaid arrangement, the Respondent Company agreed with employees drawing a gross salary above Rs.20,000/- per month to defer a portion of their salary for Financial Year 2002-2003, till April 2003. The deferred portion of the salary was



determined on a graded scale, namely 15%, 20%, 25% and 30% for employees drawing gross monthly salaries in the ranges of Rs.12,000/- to Rs.20,000/-, Rs.20,000/- to Rs.30,000/-, Rs.30,000/- to Rs.60,000/- and above Rs.60,000/- respectively.

40. Consequently, the amount of deferred salary attributable to the Appellant/Plaintiff for Financial Year 2002-2003, was Rs.2,43,000/-. Upon adding the promised bonus equivalent to one month's salary, the Appellant/Plaintiff claimed that a total sum of Rs.3,04,500/- became due and payable to her, which was not paid by the Respondent Company.

41. The Respondent Company, *on the other hand*, contended that the arrangement was not one of deferment of salary and that no promise had been made to pay the reduced salary amount with effect from 01.04.2003 to the employees. In fact, owing to the financial difficulties being faced by the Company, the salaries of employees were restructured for a period of one year. It was, therefore, asserted that there was no question of any deferred salary becoming payable to the Appellant/Plaintiff or any other employee.

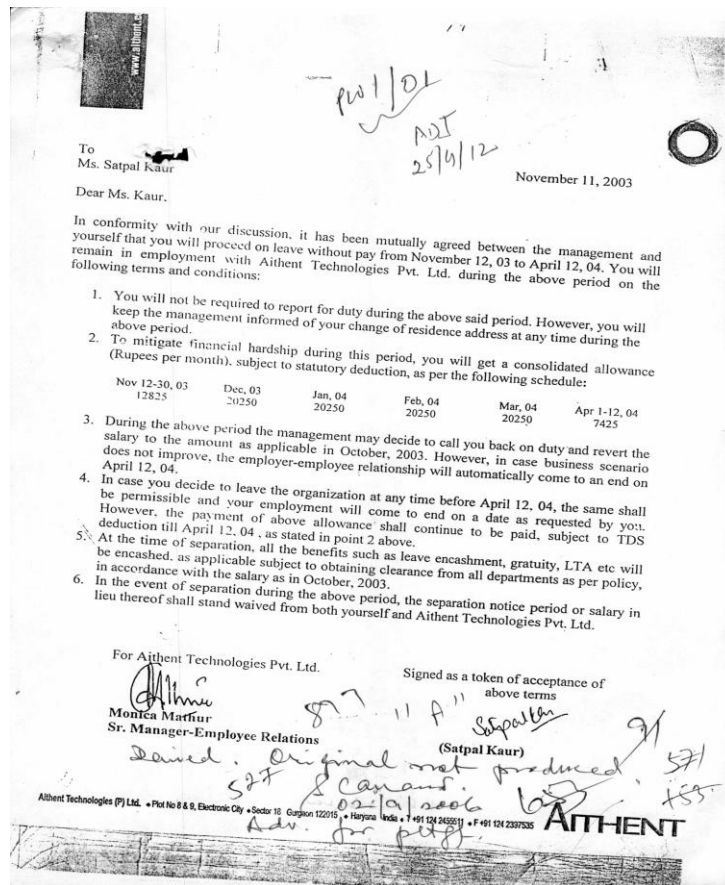
42. The *only controversy is: whether it was a deferred salary for the Financial Year 2002-2003, with the deferred component payable on 01.04.2004 or it was a case of re-structuring of the salary for one year.*

43. Although the Appellant/Plaintiff sought to characterise the arrangement as one involving deferment of salary, the evidence indicates that the arrangement emerged from internal discussions within the management, in which the then Director and Head of India Operations Mr. Sunil Vadehra played a significant role and a mechanism had been worked out to fight through the financial difficulties of the Respondent Company.



44. It is quite evident that there may have been an internal understanding amongst the members of the Management and CEO that employees who supported the Company during its financial difficulties would be compensated in the future by payment of the deferred salary. However, no such understanding was formally documented and, in the Company records, the arrangement continued to be reflected as a restructuring of salary.

45. Equally significant are the documents dated 11.11.2003 Ex. PW-1/D-1 and 15.12.2003 Ex. PW-1/D-2, executed at the stage when the Appellant/Plaintiff ceased to actively serve the Respondent Company. The said documents specifically record the financial arrangement governing the relationship between the parties and the benefits payable upon separation. The same are produced as under:





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Pw1/D2
ADJ
24/4/12

December 15, 2003

To
Ms. Satpal Kaur

Dear Ms. Kaur

This is further to our letter dated November 11, 2003 where the management had agreed to pay you a consolidated allowance upto April 2004 during your LWP. As per clause No. 2 of the above mentioned letter, the management had agreed to pay you a consolidated amount, subject to statutory deduction, as per the schedule mentioned therein.

Keeping in view your resignation dated November 25, 2003, you would be relieved from the service of the company w.e.f. November 25, 2003. However, in lieu with management commitment as per clause 4 of the above mentioned letter, you will continue get the consolidated allowance as part of settlement till April 2004.

For Aithent Technologies Pvt Ltd,

Banty Bisht

Asstt. Manager -HR

Signed as a token of
acceptance of above terms

Satpal Kaur

Denied.

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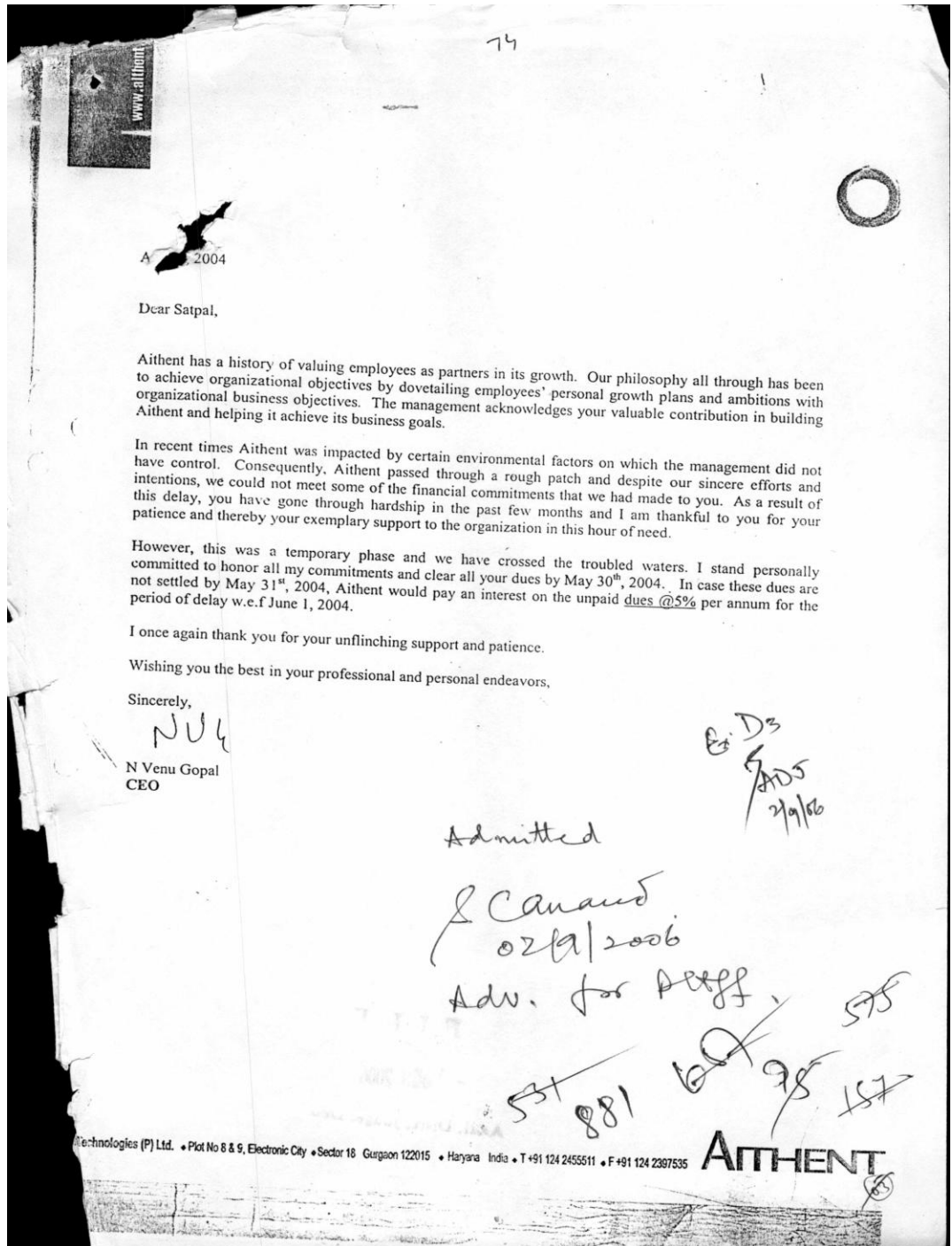


46. *Significantly, the said documents are completely silent regarding the alleged deferred salary of Rs.2,43,000/- or the alleged compensation bonus of Rs.61,500/-.* Though the documents bear the signatures of the Appellant/Plaintiff in token of acceptance, there is no acknowledgment of any outstanding liability or reference to any deferred salary arrangement.

47. Another aspect, which is of immense importance, is that the Appellant/Plaintiff, as per her own testimony, resigned from the Respondent Company on 25.11.2003. At that time, admittedly, all her dues were settled in terms of the consolidated allowance prescribed under Ex. PW-1/D-1 read with Ex. PW-1/D-2. If it was indeed a case of deferment, and not restructuring, as alleged by the Appellant/Plaintiff, there is no reason, why she would not have protested, insisted or claimed her outstanding dues, on account of alleged deferment of the salary.

48. The admissions made by PW-1 further reveal that there was no formal written agreement, board resolution or other contemporaneous document recording any obligation on the part of the Respondent Company to repay the reduced salary at a future date.

49. The Plaintiff, PW-1 herself admitted that the only written document she relied upon as evidencing the alleged deferment was the letter dated 05.04.2004 Ex. D-3, wherein the CEO of the Respondent Company stated that he remained committed to clear the dues of the Appellant/Plaintiff. The same is reproduced as under:



50. However, the said communication neither quantifies the alleged dues nor identifies their nature. There is no reference to the reduced salary for Financial Year 2002-2003, no mention of any compensation bonus and no



recital that the salary reduction was merely a deferment to be repaid at a future date.

51. It is not disputed that there were discussions regarding payment of a one month's salary bonus to employees. However, the Appellant/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 Respondent has been that the same was contemplated only as an incentive and not as a legal commitment. In the absence of any document or other cogent evidence demonstrating that the bonus became payable as a matter of right, the claim towards compensation bonus cannot be sustained.

52. The Appellant/Plaintiff has relied upon the aforesaid communications, but from these communications there is no admission of there being any deferment of salary or the entitlement of the Appellant/Plaintiff for the same.

53. Much emphasis has been placed by the Appellant on the absence of any Board Resolution. However, the present Suit is not one challenging the validity of the reduction of salary. The case of the Appellant is that the reduced salary was deferred and remained payable. The well-settled principle that an individual Director or CEO cannot, in the absence of specific authorisation by the Board of Directors, bind the Company to a novel financial commitment, applies with full force to the alleged commitment for repayment of the deferred salary, and no Board Resolution authorising the CEO to make any such commitment has been placed on record.

54. The conduct of the Appellant/Plaintiff, in not insisting on any outstanding dues at the time of her resignation and her filing of the Suit only



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after two and a half years of her resignation, also lend support that it was not a *formal approved policy of the Respondent Company, to pay the deferred salary.*

55. The learned Trial Court has carefully appreciated the evidence brought on record and has rightly concluded that while reduction of salary during the relevant period stands admitted, the Appellant/Plaintiff failed to establish that such reduction merely constituted a deferment creating a legally enforceable obligation to repay the amount at a later date.

56. There is no merit in the present **Appeal, which is hereby, *dismissed along with pending Applications.***

**(NEENA BANSAL KRISHNA)
JUDGE**

JUNE 16, 2026/R