



2026:DHC:5118



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

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

Pronounced on: 16th June, 2026

+ **RFA 646/2024**

PRAVEEN MALIK

S/o Shri Ramesh C. Malik

R/o A-81/3, DDA Flats, SFS, Saket,

New Delhi -110017

.....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, **Praveen Malik**, assailing the Judgment and Decree dated 28.03.2024, whereby the Suit for Recovery of Rs.6,14,220/- filed by the Appellant/Plaintiff has been *partly decreed* by the learned District Judge, Delhi.



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2. The Appellant/Plaintiff instituted **CS DJ No.257/2016** seeking recovery of Rs.6,14,220/- along with interest.

3. *Briefly stated*, the case of the Appellant/Plaintiff was that he joined the services of the Respondent Company on 01.02.1996 and continued in employment *till 14.04.2004*. At the time of his resignation, he was serving as a Project Manager and was drawing a gross monthly salary of Rs.59,000/-

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. The deferment was implemented on a graded scale and since the Appellant/Plaintiff was drawing a gross salary of Rs.59,000/- per month, his salary was reduced by 25%, resulting in deferment of Rs.14,750/- per month from April 2002 till March 2003.

6. The Appellant/Plaintiff stated that during an Open House Meeting held on 09.08.2002, the Management announced restoration of salaries of certain employees belonging to the lowest salary group of Rs.12,001/- to Rs.20,000/- per month and assured that the cases of other employees would also be reviewed and their deferred salaries would be released.



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7. 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 to Mr. Raju Ahluwalia, with copies to Mr. Ajay Malik and Mr. Sunil Vadhera regarding the preponement of the decision to restore salaries to the earlier levels.
8. While the original salary of the Appellant/Plaintiff of Rs.59,000/- stood restored with effect from 01.04.2003, the management sought more time to pay the arrears of the deferred salary along with the compensation bonus. However, payment of the deferred salary and compensation bonus continued to be postponed despite repeated requests.
9. The Appellant/Plaintiff relied upon e-mails dated 17.12.2004 and 28.12.2004 addressed to the CEO of the Respondent Company seeking release of his pending dues. The CEO is stated to have responded that efforts would be made to ensure that funds were released at the earliest.
10. The Appellant/Plaintiff further sent an e-mail dated 21.02.2006 demanding payment of his dues by 10.03.2006. However, no payment was made.
11. The Appellant/Plaintiff thereafter visited the office of the Respondent Company at Okhla on 21.03.2006 to obtain his salary certificate. However, according to the Appellant/Plaintiff, he was informed that the Respondent Company had no plans to release his dues.
12. *The Plaintiff claimed the deferred component of salary aggregating to Rs.1,77,000/-, agreed to be paid on 01.04.2003.*
13. The Appellant/Plaintiff further asserted that, as per the policy of deferment, *he was entitled to one month's gross salary of Rs.59,000/- as*



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compensation bonus. Accordingly, a total amount of Rs.2,36,000/- became due and payable to him as on 01.04.2003.

14. The Appellant/Plaintiff also claimed that, on the date of his resignation, a *further amount of Rs.2,38,198/- became due towards salary, HRA, reimbursement, leave encashment and gratuity.*

15. Consequently, *the Appellant/Plaintiff instituted the Suit for recovery of Rs.6,14,220/- together with interest.*

16. The Defendant/Respondent Company, in its *Written Statement*, raised a preliminary objection *regarding territorial jurisdiction* and contended that the employment of the Appellant/Plaintiff was at Gurgaon and therefore, the Courts at Gurgaon alone had the jurisdiction.

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

18. It was contended that the salary structure had been revised and accepted by the Appellant/Plaintiff and that there was no agreement for payment of any deferred salary at a later date. The Respondent Company denied that any amount was due and payable to the Appellant/Plaintiff, on account of deferred salary or compensation bonus.

19. The Respondent Company admitted that *discussions had taken place regarding payment of one month's salary as a loyalty bonus*, but asserted that the same was merely a moral incentive and not a legal commitment.

20. The Respondent Company further relied upon the Letter dated 01.04.2002 issued to the Appellant/Plaintiff, regarding restructuring of salary which had been duly accepted by him.



21. It was further stated that the salaries of the employees belonging to the lowest salary group, were restored with effect from 01.08.2002 and not from 01.10.2002 as alleged by the Appellant/Plaintiff. It was also contended that salaries of the remaining employees, were restored with effect from 01.04.2003.

22. The Respondent Company denied that any amount remained due and payable to the Appellant/Plaintiff towards deferred salary or compensation bonus *and prayed for dismissal of the Suit.*

23. On the basis of the pleadings of the parties, the learned Trial Court framed the following *Issues* on 25.01.2007:

“1. Whether the plaintiff is entitled for the recovery of Rs.

6,14,220/- from the defendant as prayed for? *OPP*

2. Whether the plaintiff is entitled for the interest pendent lite and future? If yes, then at what rate? *OPD*

3. *Relief.*”

24. The Appellant/Plaintiff examined himself as **PW-1** and tendered his evidence by way of affidavit Ex. PW-1/A. He relied upon the service certificate dated 14.04.2004 Ex. PW-1/1, salary certificate dated 21.03.2006 Ex. PW-1/2, salary slips Ex. PW-1/3 and Ex. PW-1/9 to Ex. PW-1/17, appointment letters issued by subsequent employers Ex. PW-1/4 to Ex. PW-1/8, copies of Form-16 for the relevant financial years Mark PW-1/A to Mark PW-1/D, e-mails exchanged with the Respondent Company Ex. PW-1/22 (Colly), letter dated 01.04.2005 issued by the CEO of the Respondent Company Ex. PW-1/23 and the legal notice and postal receipts Ex. PW-1/24 to Ex. PW-1/27.



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25. PW-2, Shri Sunil Vadhera, former Director and Head of India Operations of the Respondent Company, tendered his affidavit Ex. PW-2/A and supported the case of the Appellant/Plaintiff regarding deferment of salaries during the financial year 2002-2003. He further relied upon the certified copy of the e-mail dated 09.07.2002 and connected correspondence, which was exhibited as Ex. PW-2/1.

26. DW-1, Shri Bunty Bisht, Manager of the Defendant Company, reiterated the stand taken in the Written Statement and denied existence of any agreement regarding deferred salary. He, however, stated that an amount of *Rs.2,03,986/- had been offered by the Defendant Company to the Appellant/Plaintiff towards full and final settlement of his dues, but was refused by him.*

27. The learned Trial Court, 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. *However, the learned Trial Court held that an amount of Rs.2,38,198/- was payable to the Appellant/Plaintiff towards salary, HRA, reimbursement, leave encashment and gratuity.*

28. Accordingly, the *Respondent Company was directed to pay Rs.2,38,198/- along with interest and the Suit was partly decreed vide Judgment and Decree dated 28.03.2024.*

29. Aggrieved by the Judgment dated 28.03.2024 insofar as it rejects the claim towards deferred salary and compensation bonus, the *present Appeal has been preferred by the Appellant/Plaintiff.*



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30. The *grounds of challenge* is that the learned Trial Court failed to appreciate that the e-mail dated 09.07.2002 and the connected e-mail correspondence, consistently used the expression “*Deferred Salary*” and constituted the best evidence regarding the nature of the arrangement between the parties.

31. It is further contended that the learned Trial Court erred in relying upon principles relating to Board Resolutions and authority of Directors, while overlooking that the present dispute concerned the liability of the Respondent Company, arising out of commitments allegedly made to its employees.

32. It is further submitted that the communication issued by the CEO of the Respondent Company promising payment of dues together with interest, was sufficient acknowledgment of the liability of the Respondent Company. It is, therefore, contended that the learned Trial Court erred in rejecting the claim towards deferred salary amounting to Rs.1,77,000/- and one month's compensation bonus amounting to Rs.59,000/-.

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

34. The Respondent, in its *Written Submissions*, has contended that the management decided to restructure the salaries of employees on a graded scale depending upon their salary levels, instead of resorting to retrenchment of employees.

35. The Respondent has submitted that the revised remuneration structure was duly communicated to all employees through letters dated 01.04.2002, which were accepted by the concerned employees, including the Appellant. Reliance has been placed upon the letter dated 01.04.2002 signed by the



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Appellant, wherein *the arrangement was expressly described as a restructuring of remuneration*. It is contended that the said document contains no promise or commitment to repay the reduced component of salary, on a future date.

36. It is further contended that the Appellant resigned from the services of the Respondent Company on 14.04.2004 and did not raise any claim regarding alleged deferred salary, at the time of his resignation. The present claim was raised only subsequently by way of the Suit instituted in the year 2006.

37. The Respondent has further contended that no document has been produced by the Appellant evidencing any commitment on the part of the Respondent Company, to repay the reduced portion of salary. It is submitted that the claim of deferred salary has been raised only as an afterthought by certain senior employees, who instituted proceedings after leaving the Company.

38. The Respondent has also submitted that the amount awarded by the learned Trial Court towards salary, HRA, leave encashment and gratuity has already been paid to the Appellant together with interest and that no further amount remains payable under that head.

39. 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 same salary restructuring exercise were rejected. It is accordingly submitted that the present Appeal is devoid of merit and is liable to be dismissed.

Submissions heard and record perused



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40. The Appellant/Plaintiff, Mr. Praveen Malik, joined the services of the Respondent Company on 01.02.1996 and continued in employment till 14.04.2004, as reflected in the service Certificate dated 14.04.2004 Ex. PW-1/1. He was last employed as Project Manager in the category of “*Sr. Member Consulting Staff*”, at the Gurgaon branch of the Respondent Company. He further relied upon the salary certificate dated 21.03.2006 Ex. PW-1/2 to show that he was drawing a gross salary of Rs.59,000/- per month.

41. It is not in dispute that the salary of the Appellant/Plaintiff was reduced during the said period and was thereafter, restored with effect from 01.04.2003. According to the Appellant/Plaintiff, the reduction was not an absolute reduction or restructuring, but only a deferment of part of the salary. He claimed a sum of Rs.2,36,000/- towards deferred salary and compensation bonus.

42. The Respondent Company, *on the other hand*, has consistently maintained ***that there was no deferment of salary and that the salaries of employees were restructured for the Financial Year 2002-2003***, on account of financial constraints faced by the Company.

43. *Thus, the sole controversy is whether the reduction in the salary for one year, i.e. from April 2002 to March 2003, was an exercise of deferment and the arrears were to be paid after one year or was the reduction in salary, part of a salary restructuring.*

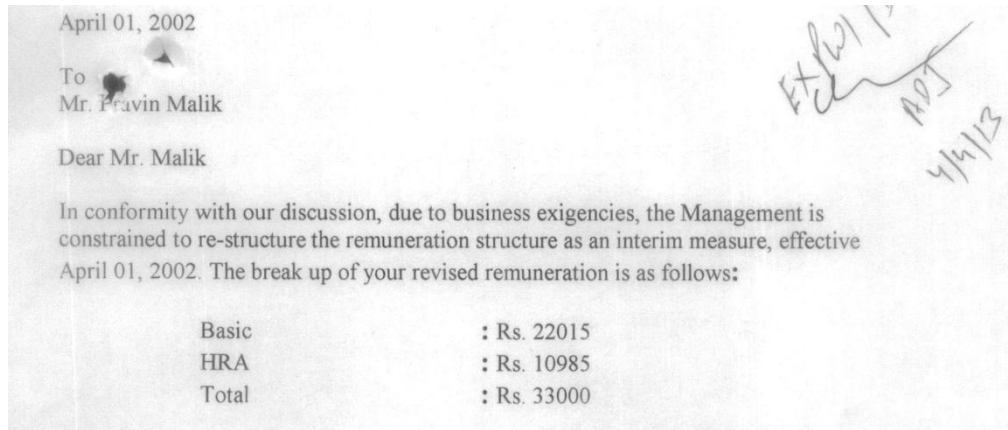
44. The most material document is the letter dated 01.04.2002 Ex. PW-1/D1, which was received and signed by the Appellant/Plaintiff. This letter specifically records that due to business exigencies, the Management was constrained to “***re-structure the remuneration structure as an interim***



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measure” with effect from 01.04.2002. It further sets out the revised remuneration structure and states that the review of the remuneration structure would be made *by the end of the accounting year*. The Letter is reproduced as under:





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Reimbursements : In addition to above you will also be entitled to the following reimbursements on submission of actual bills :

Medical expenses (for self and dependent family members)	: max. upto Rs. 1250 per month
Magazines / Periodicals / Books	: max upto Rs. 500 per month
Telephone	: max upto Rs. 500 per month
*Car Maintenance / Petrol	: max. upto Rs. 3000 per month
Total	: Rs. 5250

*You will continue to governed by the existing car lease policy.

Depending on your performance, you will also be entitled to an Annual Performance Bonus at the end of the year.


The Management appreciates your gesture, as discussed, in acceptance of the interim arrangement! With your cooperation we would jointly over come the adverse scenario. The review of the above remuneration structure will be made by the end of the accounting year.

However, all other terms and condition of employment shall remain unchanged.

Please sign this letter as a token of acceptance.

Thanking you,

Yours sincerely,


Monica Mathur
Manager - Employee Relations

585
"received in ratio"
4/20/2002

Receipt admitted.
S. Chand.

45. A bare perusal of Ex. PW-1/D1 shows that there is no reference to the reduced component being treated as deferred salary. There is also no stipulation that the reduced portion of salary would be accumulated and repaid on 01.04.2003 or at any subsequent date. *The document clearly records restructuring of remuneration, as an interim measure.*

46. The Appellant/Plaintiff sought to explain that he had merely acknowledged receipt of Ex. PW-1/D1 and had not expressly accepted the same. ***However, no such reservation or conditional acceptance, is reflected from the document.*** It is also not the case of the Appellant/Plaintiff that his signatures were obtained under coercion or duress.



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47. Moreover, the admissions made by the Appellant/Plaintiff in cross-examination are material. He admitted that Ex. PW-1/D1 was received by him from the Respondent Company and bears his signatures at point A. He also admitted that at the time of restructuring of salary, he never raised any objection in writing against the decision of the Respondent Company. He further admitted that till the time he remained in the Company, he never demanded the allegedly deferred salary from the Company, in writing.

48. In his further cross-examination, the Appellant/Plaintiff also admitted that he had not received any written letter or document from the Respondent Company stating that the deferred/restructured salary, would be paid in future. These admissions clearly show that there was no written assurance or enforceable commitment, to repay the reduced portion of salary at a later stage.

49. Though the Appellant/Plaintiff claimed that the reduced salary became payable on 01.04.2003, but admittedly, no written demand was raised by him during his employment, which continued till 14.04.2004. The first written demand relied upon by him was the e-mail dated 17.12.2004 Ex. PW-1/22 (colly), which was sent after he had already resigned from the Respondent Company.

50. The Appellant/Plaintiff has also relied upon the testimony of *PW-2, Mr. Sunil Vadhera, former Director and Head of India Operations of the Respondent Company*. PW-2 deposed that during the Financial Year 2002-2003, salaries of several employees were deferred on a graded scale for a period of twelve months and that the decision had the approval of the CEO. *He relied upon the e-mail dated 09.07.2002 and connected correspondence as Ex. PW-2/1.*



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51. However, the testimony of PW-2 does not establish any concluded contractual obligation in favour of the Appellant/Plaintiff. In his cross-examination, PW-2 admitted that he had also filed a *suit for recovery* of his alleged deferred dues against the Respondent Company. *He further admitted that he was one of the persons in charge of restructuring along with the CEO.*

52. The evidence of PW-2, therefore, at best supports the plea that discussions had taken place regarding deferment. However, it does not prove any specific enforceable arrangement between the Appellant/Plaintiff and the Respondent Company for repayment of Rs.1,77,000/- as deferred salary or Rs.59,000/- as compensation bonus.

53. The Appellant/Plaintiff has further placed reliance upon the letter dated 01.04.2005 Ex. PW-1/23 issued by the CEO of the Respondent Company. The said communication reads as under:

“April 1,2005

Dear Praveen,

Aithent has a history of valuing employees as partners in its growth. Our philosophy ail 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



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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 31", 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”*

54. The said communication, though relied upon as an acknowledgment, does not quantify the dues allegedly payable to the Appellant/Plaintiff. It does not specifically refer to the alleged deferred salary for Financial Year 2002-2003, nor does it mention any compensation bonus of one month's salary. It also does not state that the salary reduction effected in April, 2002 was a deferment, liable to be repaid as a matter of contractual obligation.

55. The Appellant/Plaintiff has also placed emphasis on the e-mail dated 09.07.2002 Ex. PW-2/1 and the use of the expression “*deferred salary*” therein. The said correspondence indicates that the management was deliberating upon the financial position of the Company and the possibility of restoring salaries which had earlier been reduced under the restructuring exercise. The CEO, in his response dated 09.07.2002, also expressed agreement with partially reversing the decision for a category of employees with effect from 01.10.2002. However, the said correspondence is in the



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nature of an internal managerial communication and does not constitute a communication addressed to the Appellant/Plaintiff creating any enforceable right in his favour. Significantly, neither the e-mail dated 09.07.2002 nor the connected correspondence records that the reduced component of salary would be accumulated and repaid to the Appellant/Plaintiff on 01.04.2003. Even if the said e-mail and connected correspondence are read in favour of the Appellant/Plaintiff, they do not establish the specific pleaded case that the reduced amount of Rs.14,750/- per month was agreed to be repaid to him on 01.04.2003, together with one month's salary as compensation bonus.

56. It is not disputed that discussions may have taken place regarding payment of bonus or some compensation to employees. However, the Appellant/Plaintiff has failed to prove that such discussions crystallized into a binding contractual obligation. In the absence of any written agreement, board resolution, salary revision letter, policy document or communication recording such obligation, the claim towards deferred salary and compensation bonus, cannot be sustained.

57. Much emphasis has been placed by the Appellant/Plaintiff on the absence of any Board Resolution approving reduction of salary. However, the present Suit is not one challenging the validity of the reduction or seeking a declaration that the restructuring, was illegal. The case pleaded by the Appellant/Plaintiff is that the reduced component remained payable as deferred salary. DW-1 consistently stated that the salary was restructured and not deferred. He admitted that the salary was reduced as per the graded scale and that the letter regarding restructuring of salary had been issued by



him. The Appellant/Plaintiff has failed to discharge this burden to prove that he was entitled to the arrears of reduced salary of one year.

58. 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.

59. In these circumstances, the learned Trial Court has ***rightly*** held that the Appellant/Plaintiff failed to prove that the reduction in salary constituted deferred salary payable on 01.04.2003. ***The claim for Rs.1,77,000/- towards deferred salary and Rs.59,000/- towards compensation bonus was, therefore, rightly dismissed.***

60. The ***next aspect pertains*** to the claim of the Appellant/Plaintiff towards salary, HRA, reimbursement, leave encashment and gratuity. The Appellant/Plaintiff had claimed Rs.2,38,198/- under this head. DW-1, in his evidence by way of affidavit Ex. DW-1/1, admitted that an amount of Rs.2,03,986/- had been offered to the Appellant/Plaintiff towards full and final settlement, though the Appellant/Plaintiff refused to receive the same.

61. The learned Trial Court noted that the Respondent Company had not explained how the amount of Rs.2,03,986/- had been arrived at. It further noted that the Respondent Company had not explained why the said amount was not paid to the Appellant/Plaintiff at the time of his resignation on 14.04.2004. In these circumstances, the learned Trial Court accepted the



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claim of Rs.2,38,198/- as the amount due to the Appellant/Plaintiff towards salary, HRA, reimbursement, leave encashment and gratuity.

62. The said finding is based on appreciation of the pleadings and evidence and does not call for interference. The learned Trial Court has already granted the Appellant/Plaintiff the amount of Rs.2,38,198/- together with interest. The grievance in the present Appeal is essentially confined to rejection of the alleged deferred salary and compensation bonus, which, for the reasons stated above, has no merit.

63. The learned Trial Court has thus, rightly partly decreed the Suit only to the extent of Rs.2,38,198/- and dismissed the claim towards alleged deferred salary and compensation bonus.

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

**(NEENA BANSAL KRISHNA)
JUDGE**

JUNE 16, 2026/R