



2026:DHC:5121



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

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

Pronounced on: 16th June, 2026

+ **RFA 649/2024, CM APPL. 29445/2025**

SANJAY KUMAR NANDECHA

S/o Shri Rajinder Kumar Nandecha,

R/o X-14, Sector 12,

Noida-201301 U.P.

.....Appellant

Through: Mr. S.C. Anand Advocate.

versus

M/S. 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, Sanjay Kumar Nandecha*, assailing the Judgment and Decree dated 20.04.2024 whereby his Suit for



Recovery of Rs.5,52,737/- *has been dismissed*, by the learned District Judge, Delhi.

2. The Appellant/Plaintiff instituted the *CS DJ No.13433/2016 for recovery of Rs.5,52,737/- (principal amount of Rs.4,07,100/- and interest of Rs.1,45,637/-)*.

3. *Briefly stated*, the case of the Appellant/Plaintiff was that he joined the services of the Respondent Company on 05.07.1993 and continued in employment till 12.12.2003. At the time of his resignation, he was serving as Engineering Manager at the Gurgaon Branch of the Respondent Company and was drawing *a gross monthly salary of Rs.88,500/- along with Leave Travel Allowance of Rs.30,000/- per annum*.

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.

5. 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.

6. The deferment was implemented on a graded scale, and since his salary exceeded Rs.60,000/- per month, 30% of his gross salary amounting to Rs.26,550/- per month, was deferred from April, 2002 till March, 2003. The deferred component aggregating to Rs.3,18,600/-, was agreed to be paid on 01.04.2003.



7. The Appellant/Plaintiff further asserted that, as per the policy of deferment, he was also entitled to Rs.88,500/- i.e. one month's salary, as bonus compensation. Hence, a total amount of Rs.4,07,100/- was due and payable to the Plaintiff, as on 01.04.2003.

8. The 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. the 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. 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.

10. The original salary of the Appellant/Plaintiff of Rs.88,500/- per month, stood restored on 01.05.2003 with effect from 01.04.2003. However, the Respondent Company failed to release the deferred salary along with the compensation bonus, despite repeated requests.

11. The Appellant/Plaintiff has placed reliance upon a computer message dated 24.02.2005 sent by him at 3.15 a.m., wherein he sought information from the Respondent Company, regarding payment of the deferred salary. In reply dated 24.02.2005 sent at 3.30 a.m., the CEO of the Respondent Company assured the Appellant/Plaintiff that "*we have closure in the next few months.*"



12. The Appellant/Plaintiff further came to know that a group of employees had met the CEO of the Respondent Company on 31.03.2005, pursuant to which Letters had been issued to them promising payment of interest, in the event the dues were not settled by 31.05.2005. However, no such letter was issued to the Appellant/Plaintiff.

13. Despite a subsequent letter dated 17.03.2006 sent by the Appellant/Plaintiff through Registered Post setting out his claim and seeking payment, the Respondent Company failed to release the claimed amount.

14. The Appellant/Plaintiff thereafter, instituted the **present Suit seeking recovery of Rs.5,52,737/- inclusive of interest (Rs.4,07,100/- plus interest of Rs.1,45,637/-).**

15. The 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 the Gurgaon Branch and the disbursement of salary also used to take place at Gurgaon. Consequently, it was asserted that jurisdiction, if any, in the matter lay with the Courts at Gurgaon and not with the Courts at Delhi.

16. *On merits*, the Respondent Company 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. It was asserted that the salary of the Appellant/Plaintiff was restructured by way of a Letter dated 01.04.2002 Ex. PW-1/D1, issued by the Respondent Company, which was duly signed and accepted by the Appellant/Plaintiff in token of acceptance, without any protest.



17. 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 one month's salary had been discussed as a '**loyalty incentive**', but the same was neither a contractual commitment nor a legally enforceable obligation.

18. It was further submitted that the Appellant/Plaintiff did not raise any grievance with regard to the restructuring during the entire period of his employment with the Respondent Company. The claim was raised only after the expiry of nearly two and a half years, from the date of his resignation. The long lapse between the date of the alleged deferred salary and the date on which the claim was staked, clearly established the falsehood of the claim, and the Suit was prayed to be dismissed.

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

1. *Whether plaintiff is entitled to recovery of Rs. 5,52,737/- from the defendant? OPP*
2. *Whether plaintiff is entitled for the interest, pendente lite and future. If yes, then at what rate? OPP*
3. *Relief."*

20. The Appellant/Plaintiff examined himself as **PW-1** and tendered his Affidavit Ex. PW-1/A. He relied upon the Salary Certificate dated 10.12.2003 Ex. PW-1/1; Salary Slips for the financial years 2001-2002 and 2002-2003 Ex. PW-1/2 and Ex. PW-1/6 to Ex. PW-1/19; the computer message dated 24.02.2005 sent by him to the CEO of the Respondent Company and the reply of the same date received from the CEO, Ex. PW-1/20 and Ex. PW-1/21; the Letter dated 01.04.2005 addressed by the CEO of



the Respondent Company to one Mr. Praveen Malik, Ex. PW-1/22; the e-mail dated 12.05.2004 issued by the CEO of the Respondent Company to Mr. Sanjeev Matta, Ex. PW-1/23; the Letter dated 17.03.2006 sent by him to the Respondent Company Ex. PW-1/24; and the Letter dated 01.12.2012 purportedly issued by one Mr. Edward Varghese, Ex. PW-1/X.

21. 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, and relied upon a certified copy of an e-mail dated 09.07.2002 sent by the CEO of the Respondent Company to Mr. Raju Ahluwalia, with copies to Mr. Ajay Malik and Mr. Sunil Vadehra, exhibited as Ex. PW-2/1.

22. DW-1, Mr. Bunty Bisht, Manager (HR) of the Respondent Company, tendered Affidavit Ex. DW-1/1 and reiterated the stand taken in the Written Statement and denied existence of any agreement regarding deferred salary.

23. The learned Trial Court, upon appreciation of the evidence led by the parties, concluded that the Letter dated 01.04.2002 Ex. PW-1/D1, signed by the Appellant/Plaintiff in token of acceptance, used the language of restructuring and contained no reference whatsoever to any deferment or future repayment. It was observed that any oral evidence sought to be led contrary to the terms of Ex. PW-1/D1, would be hit by Sections 91 and 92 of the Indian Evidence Act, 1872. The Appellant/Plaintiff had failed to establish any contractual arrangement whereby the reduced component of salary was to be repaid at a later date. ***Consequently, the Suit was dismissed vide Judgment and Decree dated 20.04.2024.***



24. Aggrieved by the said Judgment and Decree dated 20.04.2024, the **present Appeal** has been preferred by the Appellant/Plaintiff.

25. The **grounds of challenge** primarily are that the impugned Judgment is self-contradictory. It is contended that while the Judgements cited therein, emphasise the importance of Board Resolutions, the learned Trial Court has failed to notice that there was admittedly no Board Resolution to restructure the salary, in the first place.

26. It is further contended that the e-mail dated 09.07.2002 Ex. PW-2/1 uses the terminology "*deferred*", and stands recognised under Section 88-A of the Indian Evidence Act, 1872. The decision in Dale & Carrington Invt. (P) Ltd. v. P.K. Prathapan, (2005) 1 SCC 212 and other judgements cited by the learned Trial Court, pertain to internal disputes amongst shareholders and the personal liability of Directors, and do not consider the vicarious liability of a Company for commitments made to employees by its Directors. Reliance is also placed upon the Letter dated 01.04.2005 Ex. PW-1/22 issued by the CEO of the Respondent Company.

27. The Appellant has accordingly, prayed that the impugned Judgment and Decree dated 20.04.2024 be set aside and the Suit be decreed in the sum of Rs.4,07,100/- along with interest at the rate of 12% per annum from 01.04.2003 till realisation.

28. The **Respondent in his 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. This is evident from the Letter dated 01.04.2002 Ex. PW-1/D1 itself, which referred to restructuring of



remuneration, and did not contain any promise for repayment of the reduced component of salary, on a future date.

29. 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 claim for the alleged arrears. 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.

30. The Appellant in his *Written Submissions*, has reiterated the grounds taken in the Appeal.

Submissions heard and Record perused.

31. It is the case of the Plaintiff/Appellant, Mr. Sanjay Kumar Nandecha, that he joined the Defendant Company as Engineering Manager at its Gurgaon Branch on 05.07.1993 and continued in service till 12.12.2003. He tendered his resignation vide Letter dated 10.12.2003, which was accepted by the Defendant Company, and he was relieved with effect from 12.12.2003.

32. He further deposed that he was drawing a gross salary of Rs.88,500/- per month along with Leave Travel Allowance of Rs.30,000/- per annum at the time of his cessation of service, in support whereof he relied upon the Salary Certificate dated 10.12.2003 Ex. PW-1/1. He further stated that with effect from 12.11.2003, he proceeded on leave without pay till 12.04.2004 pursuant to mutually agreed terms contained in the Defendant's Letter dated 11.11.2003, signed by him in token of acceptance.



33. The *entire controversy* in the present case centres around the reduction of the 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 Plaintiff's salary was reduced from Rs.70,750/- per month (Basic Rs.47,200/- + HRA Rs.23,550/-) to Rs.44,200/- per month (Basic Rs.29,500/- + HRA Rs.14,700/-) and continued at the reduced level until 31.03.2003. It is further undisputed that with effect from 01.04.2003, the Plaintiff's salary was restored to its pre-reduction level. Thus, there was an admitted reduction in the Plaintiff's salary for one year i.e. the period from 01.04.2002 to 31.03.2003.

34. The circumstances leading to the said reduction in salary were explained by the Plaintiff, in his testimony. He stated that the Defendant Company was a wholly owned subsidiary of Aithent Inc., New York, USA with effect from 01.01.2001, and that its principal affiliated clients, Canyon Blue and Velos, had failed to make timely payments resulting in significant outstanding receivables.

35. Towards the end of March, 2002, an open General House Meeting was convened wherein Mr. Venu Gopal, CEO, and Mr. Sunil Vadehra, the then Director and Head of India Operations, explained the financial difficulties being faced by the Defendant Company and sought the cooperation of the employees in helping to tide over this temporary difficulty.

36. As per the Plaintiff, under the arrangement that emerged, the Defendant Company agreed with employees drawing a gross salary above Rs.12,000/- per month to defer a portion of their salary for Financial Year



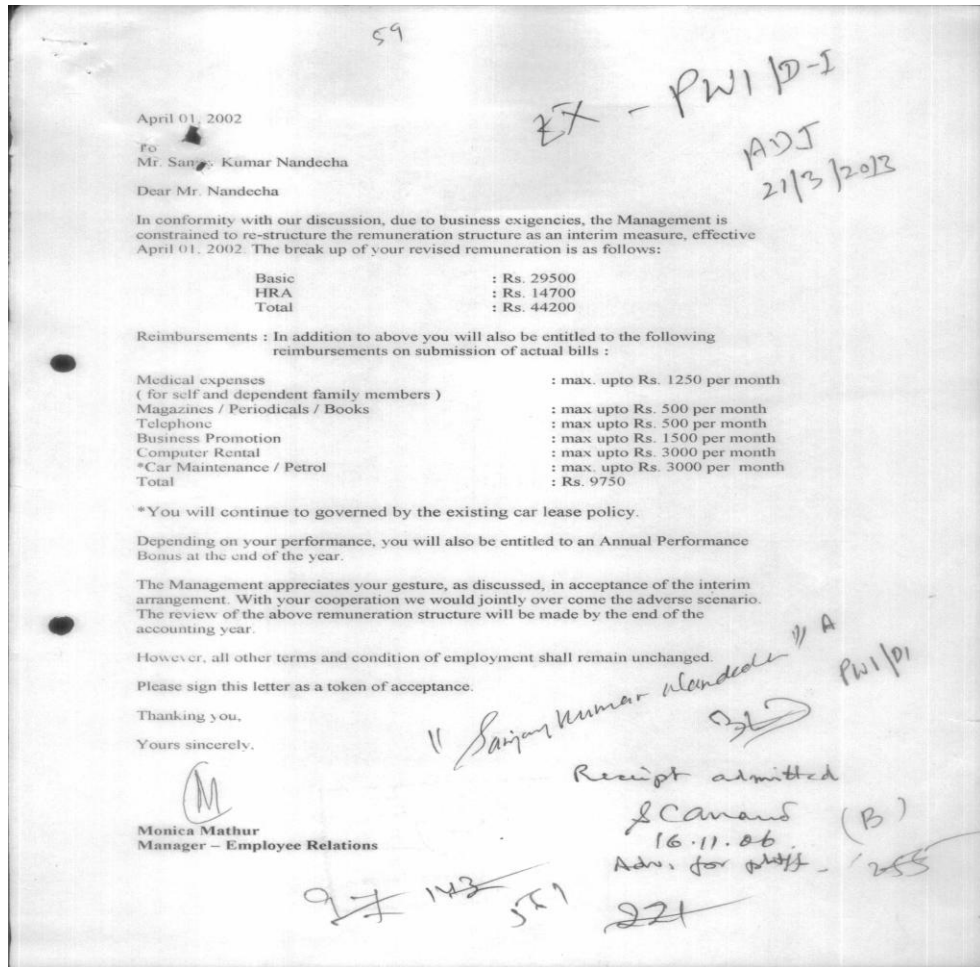
2002-2003, till April, 2003, on a graded scale of 15%, 20%, 25% and 30% depending upon the salary range.

37. Since the Plaintiff's salary exceeded Rs.60,000/- per month, the *amount of deferred salary* payable to him, for Financial Year 2002-2003 is claimed to be Rs.3,18,600/-. Upon adding the promised bonus equivalent to one month's salary of Rs.88,500/-, *the Plaintiff claimed that a total sum of Rs.4,07,100/- became due and payable to him, which was not paid by the Defendant Company.*

38. The Defendant 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. 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 Plaintiff or any other employee.

39. 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.

40. The most crucial document is the Letter dated 01.04.2002 Ex. PW-1/D1 issued by the Defendant Company to the Plaintiff through Ms. Monica Mathur, Manager - Employee Relations. The Plaintiff in his cross-examination, admitted to have been received by him and bears his signatures at point A in acknowledgement of acceptance. The Letter dated 01.04.2002 Ex. PW-1/D1 is reproduced as under:



41. The said Letter dated 01.04.2002 Ex. PW-1/D1 records that the Management is constrained to "re-structure the remuneration structure as an interim measure" subject to review at the end of the accounting year. A bare perusal of the Letter dated 01.04.2002 Ex. PW-1/D1 reveals that the same expressly uses the language of restructuring and not of deferment. It contained no reference, much less any promise, regarding repayment of the reduced component of salary at any future date, nor any reference to any one month's compensation bonus. The only reference to bonus in the said Letter dated 01.04.2002 Ex. PW-1/D1 is to an "Annual Performance Bonus"



payable depending upon the performance of the Plaintiff, which is a discretionary entitlement and not a contractual obligation.

42. Admittedly, the said Letter dated 01.04.2002 Ex. PW-1/D1 bears the signatures of the Plaintiff in token of acceptance, and the Plaintiff has further admitted that he did not raise any written objection thereto either at the time of its receipt or at any time during his employment with the Defendant Company.

43. Much emphasis has been placed by the Appellant on the e-mail dated 09.07.2002 sent by Mr. N. Venu Gopal, CEO of the Defendant Company, to Mr. Raju Ahluwalia with copies to Mr. Ajay Malik and Mr. Sunil Vadehra, exhibited as Ex. PW-2/1, on the ground that the said e-mail dated 09.07.2002 Ex. PW-2/1 uses the terminology "*deferred*" and is recognised under Section 88-A of the Indian Evidence Act, 1872.

44. The said submission is misconceived. Section 88-A of the Indian Evidence Act, 1872 only raises a presumption as to the correspondence of an electronic message to the message fed by the originator for transmission, and pertains to the integrity of transmission and authorship, and not to the contents of the message, as proof of any contractual obligation.

45. Moreover, the e-mail dated 09.07.2002 Ex. PW-2/1, is an internal communication amongst the CEO, the Vice President (HR), Mr. Ajay Malik and Mr. Sunil Vadehra, to which the Plaintiff is admittedly not a party. The use of the term '*deferred*' in internal correspondence amongst officers of the Defendant Company, cannot create or evidence a legally enforceable contract between the Defendant Company and the Plaintiff.

46. The Plaintiff has placed reliance upon the Letter dated 01.04.2005 issued by the CEO of the Defendant Company, exhibited as Ex. PW-1/22,



The Plaintiff has himself admitted in his cross-examination that the Letter dated 01.04.2005 Ex. PW-1/22 was not addressed to him, but was a photocopy of a letter issued in the name of one Mr. Praveen Malik.

47. The e-mail dated 12.05.2004 Ex. PW-1/23 is similarly not addressed to the Plaintiff and pertains to a personal financial request made by Mr. Sanjeev Matta in connection with his housing loan. The said e-mail dated 12.05.2004 Ex. PW-1/23, even on its own terms, records only that the matter would be "considered" once outstanding payments were addressed, which is the language of discretion and not of contractual commitment.

48. Neither the Letter dated 01.04.2005 Ex. PW-1/22 nor the e-mail dated 12.05.2004 Ex. PW-1/23 is of any assistance to the Plaintiff in establishing any contractual obligation owed by the Defendant Company to him.

49. The internal correspondence in the e-mail dated 09.07.2002 Ex. PW-2/1, the reply of the CEO in the message dated 24.02.2005 Ex. PW-1/21, the Letter dated 01.04.2005 to Mr. Praveen Malik Ex. PW-1/22, and the e-mail dated 12.05.2004 to Mr. Sanjeev Matta Ex. PW-1/23, individually or collectively, do not amount to an exercise of authority, traceable to the Board of Directors of the Defendant Company. The said documents accordingly, cannot establish any contractual obligation owed by the Defendant Company to the Plaintiff.

50. Equally significant is the Letter dated 11.11.2003, executed between the parties, which stands admitted by the Plaintiff during admission and denial of documents carried out on 16.11.2006. The said Letter dated 11.11.2003 specifically records the financial arrangement governing the relationship between the parties and the benefits payable upon separation, with clause 5 thereof providing as under:



"5. At the time of separation, all the benefits such as leave encashment, gratuity, LTA etc. will be encashed, as applicable subject to obtaining clearance from all departments as per policy, in accordance with the salary as in October, 2003."

51. The said Letter dated 11.11.2003 bears the signatures of the Appellant/Plaintiff in acceptance and is completely silent regarding the alleged deferred salary of Rs.3,18,600/- or the alleged compensation bonus of Rs.88,500/-.

52. The Appellant/Plaintiff, as per his own testimony, was relieved from the Defendant Company on 12.12.2003. At that time, admittedly, *all his claims and dues were settled in terms of the Letters dated 11.11.2003 and 10.12.2003.* If it was indeed a case of deferment, and not restructuring, as alleged by the Plaintiff, there is no reason, why he would not have protested, insisted or claimed his outstanding dues, on account of alleged deferment of the salary, at any stage at or before his relief.

53. The conduct of the Plaintiff, in not insisting on any outstanding dues at the time of his separation, his continued receipt of post-separation benefits till April, 2004 without protest, and his filing of the present Suit only after a period of more than two years and three months from the date of his relief from service, also lend support that it was not a formal agreed policy of the Defendant Company, to pay the deferred salary.

54. The Appellant/Plaintiff has further placed reliance upon the Letter dated 01.12.2012 purportedly issued by one Mr. Edward Varghese, exhibited as Ex. PW-1/X, wherein it is stated that he had received his deferred salary upon his resignation. However, the Plaintiff has admitted in



his cross-examination dated 21.03.2013 that the said Letter dated 01.12.2012 Ex. PW-1/X does not contain the office or residential address of Mr. Edward Varghese, is not in the form of an Affidavit, and does not mention the exact amount of any deferred salary. Mr. Edward Varghese himself never testified. The said Letter dated 01.12.2012 Ex. PW-1/X cannot, accordingly, be looked at as evidence of any practice of payment of deferred salary by the Defendant Company.

55. Much emphasis has been placed by the Appellant on the absence of a Board Resolution authorising the restructuring exercise. However, the present Suit is not one challenging the validity of the restructuring. The case of the Appellant is that the reduced salary was deferred and was payable. The Plaintiff is bound to establish, by reliable documentary evidence, the existence of a contractual obligation creating a future repayment liability against the Defendant Company. In the present case, the only document executed between the parties on the subject is the Letter dated 01.04.2002 Ex. PW-1/D1, which expressly characterises *the arrangement as a restructuring*.

56. It is not disputed that there were discussions regarding payment of a one month's salary as compensation 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.



57. To sum up, the defendant Company faced the financial constraint in 2002-2003 and to tide through it, the Company undertook the re-structuring of salary for one year, whereby the salary of all the employees were slashed, to which all the employees had to agree. Those who did not find it workable, left the service, while most including the Plaintiff continued in the service. It has been established that while in the Company records, it was indicated as a re-structuring, but the employees were assured that it was deferred and would be paid in the next financial year. However, deferment and payment was an assurance, as a good gesture, but it remained in the domain of discretion of the Company, as in the records, it was re-structuring of salary.

58. 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.

59. There is no merit in *the present Appeal, which is hereby, dismissed. The pending Applications are disposed of, accordingly.*

(NEENA BANSAL KRISHNA)

JUDGE

JUNE 16, 2026/R