HC-KAR

NC: 2026:KHC:64392
RFA No. 173 of 2019

CNR: KAHC010024102019

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 19TH DAY OF NOVEMBER, 2026

BEFORE

THE HON'BLE MR. JUSTICE RAJESH RAI K

REGULAR FIRST APPEAL NO. 173 OF 2019 (MON)

BETWEEN:

M/S BEML LIMITED
(A GOVT. OF INDIA UNDERTAKING)
"BEML SOUDHA"
NO.23/1, 4TH MAIN ROAD
S.R NAGAR, BENGALURU-560 027
REPRESENTED BY ITS
DEPUTY GENERAL MANAGER (LEGAL)
MR. M.K. VIDYADHARAN

...APPELLANT

(BY SRI. NARASIMHA SWAMY N.S AND
SRI. THULASIRAM SINGH B.K, ADVOCATES)

AND:

Digitally signed by PANKAJA S
Location: HIGH COURT OF KARNATAKA

M/S PRIVATE EYE PVT LTD
A COMPANY REGISTERED UNDER THE
COMPANIES ACT, 1956 HAVING ITS
REGISTERED OFFICE AT NO.30/9
80 FEET ROAD, INDIRA NAGAR
BENGALURU-560 038
REPRESENTED BY ITS GENERAL MANAGER
SRI SUNNY MULLACKAL

...RESPONDENT

(BY SRI. P. RAVEENDRAN, ADVOCATE)

THIS RFA IS FILED UNDER SECTION 96 OF CPC, AGAINST THE JUDGMENT AND DECREE DATED 12.09.2018 PASSED IN O.S.NO.8729/2014 ON THE FILE OF THE XLI

ADDITIONAL CITY CIVIL JUDGE, BANGALORE, DECREEING THE SUIT FOR RECOVERY OF MONEY.

THIS APPEAL, COMING ON FOR FURTHER HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE RAJESH RAI K

ORAL JUDGMENT

This Regular First Appeal is preferred by the defendant seeking to set aside the judgment and decree dated 12.09.2018 passed by the XLI Additional City Civil Judge, Bengaluru, in O.S. No. 8729/2014, wherein the Trial Court decreed the suit filed by the plaintiff/respondent for recovery of Rs.1,52,900/- together with interest at 18% per annum from the date of suit till realization and costs.

2. For the sake of convenience, the parties hereinafter are referred to as per their rankings before the Trial Court.

3. The abridged facts of the case as set out by the plaintiff are that the plaintiff, a company engaged in providing security services, was entrusted by the defendant company with providing security services at different premises owned by the defendant under Purchase Order No. CPC/156 dated

24.06.2011 for twelve months from 01.07.2011 to 30.06.2012, subsequently extended till 31.01.2013 under Purchase Order Amendment No. 3 dated 10.07.2012. The plaintiff contended that under the terms of the work order and amendment, bonus was payable to deployed staff and reimbursable by the defendant after the end of the financial year, for which the plaintiff raised Bill No. 5673A dated 31.08.2012 for Rs.2,05,767/- towards bonus for the financial year April 2011 to March 2012. Alleging that the defendant made a part payment of Rs.96,021/- and withheld Rs.1,09,746/- despite repeated correspondence and a legal notice dated 20.06.2014, the plaintiff filed the suit for recovery of Rs.1,52,900/- including pre-suit interest and notice charges.

4. Upon service of summons, the defendant appeared and filed a written statement contending that it is a Central Public Sector Undertaking under the Ministry of Defence, raising a threshold objection regarding notice under Section 80 of the Code of Civil Procedure, and asserting that bonus reimbursement was governed by the provisions of the Payment of Bonus Act, 1965. The defendant contended that it had

reimbursed bonus in accordance with the statutory provisions and that the plaintiff had claimed amounts contrary to the Act without furnishing proper proof of eligibility or disbursement to individual employees, praying for dismissal of the suit.

5. The Trial Court, after considering the oral and documentary evidence on record, answered the issues in the affirmative and decreed the suit. Aggrieved by the said judgment and decree, the appellant/defendant is before this Court in appeal.

6. Heard the learned counsel appearing for the appellant/defendant and the learned counsel appearing for the respondent/plaintiff.

7. The learned counsel for the appellant/defendant submitted that the Trial Court erred in decreeing the suit by refusing to consider the defence evidence on the ground of want of proper authorization from the Chairman and Managing Director, and by holding that the authorization letter produced and marked was different. It was contended that if the Trial Court was of the opinion that the person representing the

defendant lacked authority, it could have prevented such person from cross-examining PW.1 or leading evidence at the appropriate stage rather than allowing the defence to participate in full and discarding the entire evidence at the final stage. The learned counsel further submitted that a copy of the authorization letter given by the defendant company to the person appearing for it has now been produced in this appeal, and prayed to set aside the impugned judgment and remand the matter.

8. Per contra, the learned counsel appearing for the respondent/plaintiff supported the impugned judgment and decree, contending that the plaintiff established its claim for reimbursement of bonus paid for the financial year 2011–2012 under the purchase order and bill on record, and that the Trial Court rightly noted the absence of authorization from the Chairman and Managing Director to represent the defendant company. Further the Trial Court after meticulous examining entire documents rightly held that the defendant owes bonus to the plaintiff and accordingly decreed the suit. Thus, no ground

is made out to interfere with the well-reasoned judgment of the Trial Court, and prayed for dismissal of the appeal.

9. I have given my anxious consideration to the submissions made by learned counsel for both parties and perused the Trial Court records and also the records made available in this appeal.

10. As could be gathered from the records, the Trial Court decreed the suit for Rs.1,52,900/- with interest at 18% per annum and costs while declining to take into consideration the defence case. In paragraph 12 of the impugned judgment, the Trial Court took the view that the vakalath and written statement were filed without an authorization letter from the Chairman and Managing Director shown as representing the defendant company in the cause title, treated the defendant as having no representation and no written statement, and consequently left out the cross-examination of PW.1 as well as the evidence of DW.1, DW.2, Ex.D1, and Ex.D2.

11. If the Trial Court felt that the person appearing and taking stands on behalf of the defendant did not have proper

authority to represent the company or to give evidence, it could have stopped that person from cross-examining the plaintiff's witness or entering into evidence at the proper stage. Instead, the Trial Court allowed the cross-examination of PW.1 and also allowed the defendant's side to examine witnesses and mark documents, only to ignore all of that evidence at the time of writing the judgment. Ignoring the entire defence evidence at the final stage has prevented a full decision on the merits of the case.

12. In this appeal, the appellant-defendant has produced a copy of the authorization letter given by the defendant company to the person appearing for it. Since the Trial Court refused to look at the defendant's evidence mainly because of the lack of proper authorization, this new document directly relates to the main reason why the defence was not considered. Evidence from both sides is already over, and this Court is not going into the merits of the case at this stage. Questions of fact and evidence are to be looked into first by the Trial Court rather than being decided here.

13. For the reasons discussed supra, the matter should be remanded back to the Trial Court, for fresh decision in accordance with law, limited to the production of the authorization letter and related proceedings. The Trial Court shall deal with the authorization letter produced in this appeal and conduct related proceedings as required by law, give proper opportunity to both sides in that regard, and pass a fresh judgment.

14. If the Trial Court comes to the conclusion that the plaintiff is entitled to recover the suit amount, the Trial Court shall be at liberty to consider the aspect of interest for the period spent in this appeal and fresh proceedings while passing its final decree.

15. In that view of the matter, without expressing any opinion on the merits of the case, I pass the following.

ORDER

i. The Regular First Appeal is ***allowed in part and remanded***.

ii. The judgment and decree dated 12.09.2018 passed by the XLI Additional City Civil Judge, Bengaluru, in O.S. No. 8729/2014 ***are set aside***.

iii. The matter is remitted back to the Trial Court for fresh adjudication of the matter in view of the authorisation letter produced. The appellant/defendant is at liberty to produce the authorisation letter before the Trial Court and the Trial Court, on such production, shall consider the same in accordance with law.

iv. The parties shall appear before the Trial Court on ***11.01.2027***, without expecting any further notice.

v. The Trial Court is directed to dispose of the matter as early as possible.

SD/-
(RAJESH RAI K)
JUDGE

PKS/V
List No.: 1 Sl No.: 17