

IN THE GENERAL DIVISION OF
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2026] SGHC 2

Originating Claim No 293 of 2024

Between

Kanan Packrisamy

... Claimant

And

- (1) Herbal Pharm Pte Ltd
- (2) Herbal Pharm+ Asia Pacific LLP
- (3) Herbal Pharms Direct LLP
- (4) Vejaiyan s/o Gunasagran

... Defendants

Counterclaim

Between

- (1) Herbal Pharm+ Asia Pacific LLP
- (2) Herbal Pharms Direct LLP
- (3) Vejaiyan s/o Gunasagran
- (4) Herbal Pharm Organics LLP
- (5) Herbal Pharm Supplement LLP
- (6) Herbal Pharms Telelink LLP
- (7) Herbal Pharms+ LLP
- (8) Gunasagran s/o Karupaiyah Ponnusamy t/a Herbal Products

... Claimants in Counterclaim

And

Kanan Packrisamy

... Defendant in Counterclaim

JUDGMENT

[Contract — Variation — Whether term of employee's remuneration could be unilaterally varied]

[Employment Law — Contract of service — Whether employee's conduct amounted to breach of employment contract — Whether employer entitled to terminate employee without notice]

[Tort — Conversion]

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Kanan Packrisamy
v
Herbal Pharm Pte Ltd and others

[2026] SGHC 2

General Division of the High Court — Originating Claim No 293 of 2024
Audrey Lim J
1–3, 6–10, 13–15, 17, 22 October, 1 December 2025

6 January 2026 Judgment reserved.

Audrey Lim J:

Introduction

1 The claimant (“Mr Kanan”) commenced this action (“Action”) against
the defendants for wrongful termination of his employment with the first
defendant Herbal Pharm Pte Ltd (“HP”), second defendant Herbal Pharm+ Asia
Pacific LLP (“HP+”) and third defendant Herbal Pharm Direct LLP (“HPD”).
The fourth defendant (“Mr Vejaiyan”) is the sole director and shareholder of
HP, and the manager and principal partner of HP+ and HPD. The defendants
claim the termination of Mr Kanan’s employment with HP and HP+ was
justified; they dispute that Mr Kanan was ever employed by HPD.

2 The second, third and fourth defendants, together with other persons, form the claimants in counterclaim ("Counterclaimants"). The Counterclaimants allege that Mr Kanan had misappropriated funds belonging to

them. I refer to HP and the Counterclaimants (save for Mr Vejaiyan) collectively, as the “HP Entities”.

Background

3 Mr Vejaiyan is the controlling mind behind the HP Entities. He is the sole director of HP, and the principal partner and/or manager of the HP Entities.¹ Mr Kanan and Mr Vejaiyan have known each other for about two decades. In around 2011, Mr Vejaiyan engaged Mr Kanan to provide book-keeping and accounting services for the HP Entities.²

4 On 19 March 2018, Mr Kanan was appointed the Chief Operating Officer (“COO”) of HP. Pursuant to his employment contract (“HP Contract”), he was paid a monthly salary of \$9,000 and entitled to an annual performance appraisal bonus, also known as a growth incentive bonus (“GIB”).³

5 On 1 January 2021, Mr Kanan was appointed as Chief Finance and Operating Officer of HP+. Pursuant to his employment contract (“HP+ Contract”), Mr Kanan was paid a monthly salary of \$4,800.⁴ Correspondingly, HP issued a letter dated 1 January 2021 to revise Mr Kanan’s salary under HP down to \$5,000, as he would also be fulfilling the role of Group Chief Operating and Financial Officer at HP+, and would be paid a separate salary under HP+. Mr Kanan was also appointed a director of HP on 19 April 2022.⁵

¹ 7/10/25 Notes of Evidence (“NE”) 94; 15/10/25 NE 27; Mr Vejaiyan’s AEIC (“D4’s AEIC”) at [2].

² Mr Kanan’s Affidavit of Evidence-in-Chief (“C’s AEIC”) at [15], [23]–[26]; D4’s AEIC at [8]–[9].

³ C’s AEIC at [30], [32]–[34]; D4’s AEIC at [10]; 2AB 39–45; 1/10/25 NE 11.

⁴ C’s AEIC at [46]; D4’s AEIC at [11]; 2AB 51–56.

⁵ Statement of Claim (“SOC”) at [7]; C’s AEIC at [47]; D4’s AEIC at [12]–[13].

6 By letters dated 10 January 2023 issued by HP and HP+ respectively, Mr Kanan was appointed the Chief Executive Officer (“CEO”) of HP and HP+ with effect from 24 November 2022, with a monthly salary of \$6,000 each at HP and HP+ with effect from 1 January 2023.⁶ Save for any express terms to the contrary in the 10 January 2023 letters, Mr Kanan’s terms of employment continued to be governed by the HP Contract and HP+ Contract.⁷

7 Mr Kanan claims he also executed an employment contract with HPD on 1 April 2023, whereby he was appointed as its CEO with a monthly salary of \$3,000. The defendants deny this.⁸

8 At the material time, Mr Kanan was the highest-ranking officer in the HP Entities after Mr Vejaiyan and reported directly to Mr Vejaiyan. Mr Kanan was authorised to approve payments from the HP Entities’ bank accounts, of up to \$30,000 per transaction.⁹ Mr Vejaiyan states that he reposed great trust and confidence in Mr Kanan, so much so that, in around 2022, he stepped back and allowed Mr Kanan to take greater responsibility of the day-to-day running of the HP Entities. Mr Kanan also states that Mr Vejaiyan took a backseat when Mr Kanan became CEO of HP and HP+, and that Mr Vejaiyan placed a high level of trust and confidence in him in the administration of the HP Entities.¹⁰

9 It is undisputed that by December 2023, Mr Kanan’s relationship with Mr Vejaiyan had deteriorated, due to a \$10,000 advance Mr Kanan obtained for

⁶ C’s AEIC at [48]; D4’s AEIC at [14] and pp 73–76.

⁷ 3/10/25 NE 58–59.

⁸ SOC at [10]; Defence and Counterclaim (Amendment No 2) (“Defence and Counterclaim”) at [15] of the Defence; C’s AEIC at [49]; D4’s AEIC at [15].

⁹ D4’s AEIC at [21], [33], [34]; C’s AEIC at [37]–[38]; 1/10/25 NE 13, 14, 17.

¹⁰ C’s AEIC at [17]; D4’s AEIC at [24], [46]; 1/10/25 NE 13–17.

a work trip to Africa in May 2023 (“\$10,000 Advance”). Mr Vejaiyan claims that Mr Kanan, in breach of trust, took the \$10,000 Advance without his approval.¹¹ The parties’ disagreement over the \$10,000 Advance eventually led to the termination of Mr Kanan’s employment.

Claimant’s case

10 Mr Kanan attests as follows.

11 Mr Kanan was overall-in-charge of finance (among other aspects) of the HP Entities. He was entrusted with and had full access to the bank tokens linked to the HP Entities’ United Overseas Bank (“UOB”) bank accounts. Either he or Mr Vejaiyan could initiate transactions and authorise (*ie*, make) payments *via* the UOB online banking platform (“UOB Platform”). The finance staff of the HP Entities could only initiate a payment transaction (*ie*, by filling up details of the payee and purpose of a transaction).¹²

12 The HP Entities had an established practice for handling cheques issued for cash withdrawals, whenever a payment or reimbursement had to be made to Mr Vejaiyan. A payment voucher (“PV”) would be prepared and a cheque for the amount stated in the PV would be issued by Mr Kanan. Both the PV and cash cheque would be presented to one Mdm Ponnammal, a staff of the HP Entities. When Mr Kanan presented the documents to Mdm Ponnammal, she (or another staff) would hand to Mr Kanan the corresponding amount of cash from moneys kept in the office. Mr Kanan would then hand that sum personally to

¹¹ C’s AEIC at [81], [84]; D4’s AEIC at [46].

¹² C’s AEIC at [37], [40]–[43]; 1/10/25 NE 17, 30–32, 40, 149; 3/10/25 NE 41.

Mr Vejaiyan or place it in Mr Vejaiyan’s safe in the office. The cheque would subsequently be encashed at the bank by a HP staff.¹³

13 Mr Kanan’s relationship with Mr Vejaiyan took a turn for the worse on or about 4 December 2023, when Mr Vejaiyan asked Mr Kanan to account for the \$10,000 Advance he received ahead of the work trip to Africa in May 2023 (“Africa Trip”).¹⁴

14 On 12 May 2023, Mr Kanan drew the \$10,000 Advance for expenses he expected to incur during the trip. He prepared and approved a PV for \$10,000 and handed the PV to Ms Kanni, a HP staff. He then accessed the UOB Platform and transferred \$10,000 from the account of Herbal Pharm Organics LLP (“HP Organics”) to his personal bank account. He had obtained Mr Vejaiyan’s prior oral approval for the \$10,000 Advance before preparing the PV and transferring the money to himself. After he returned from the Africa Trip on 22 May 2023, he gave Ms Kanni the receipts for the expenses he had incurred, for her to process his claims. He thought nothing more of this thereafter.¹⁵

15 On 5 December 2023, Mr Vejaiyan met Mr Kanan to discuss the \$10,000 Advance. Mr Vejaiyan told Mr Kanan that he had not submitted any receipts for the Africa Trip, that he had taken the \$10,000 Advance when there were no corresponding company expenses, and that there was no standard practice of taking a cash advance prior to a business trip. Mr Kanan did not then reply to Mr Vejaiyan as he did not have the supporting documents and he wanted to investigate the matter further.¹⁶

¹³ C’s AEIC at [140]–[142]; 1/10/25 NE 98–99, 106–107, 136.

¹⁴ C’s AEIC at [84].

¹⁵ C’s AEIC at [85], [87]; 2/10/25 NE 35–36, 38–40, 53; 3/10/25 NE 78–79; 3AB 39.

¹⁶ C’s AEIC at [88]–[89].

16 After reviewing the receipts that Ms Kanni forwarded to him, Mr Kanan realised that he had incurred some expenses prior to the Africa Trip, which had already been reimbursed by Ms Kanni prior to that trip. As Ms Kanni had overpaid him by some \$4,555, he immediately returned that amount to HP on 8 December 2023. He also made a further repayment of \$386.50 as the unused portion of his annual travel insurance paid for by the HP Entities, as he was informed that he would not be travelling anymore.¹⁷

17 Mr Kanan claims that his receipt of the \$10,000 Advance, which was not fully utilised for the Africa Trip, was a simple misunderstanding.¹⁸ However, on 8 December 2023, at a meeting attended by Mr Kanan, Mr Vejaiyan and Ms Logeswari (a HP staff) (“8/12/23 Meeting”), Mr Kanan was handed a letter dated 7 December 2023 from HP (“7/12/23 Demotion Letter”) to demote him from CEO to Senior Vice President of Finance and to reduce his total monthly salary to \$8,000. In that letter, Mr Kanan was informed that this adjustment was a result of “the need to address concerns related to the mishandling of company funds”, that he would be removed as HP’s director, and that his GIB for the year 2022 would be “fortified”. Mr Kanan signed on the letter to acknowledge it.¹⁹

18 On 10 December 2023, Mr Kanan emailed Ms Kanni to deny that he had mishandled company funds, and to state that he had “done nothing wrong” and that his demotion and reduction in salary were unreasonable (“10/12/23 Email”).²⁰ On 11 December 2023, Ms Kanni emailed Mr Kanan on behalf of

¹⁷ C’s AEIC at [91]–[95]; 2/10/25 NE 48.

¹⁸ C’s AEIC at [97].

¹⁹ C’s AEIC at [109]–[110]; D4’s AEIC at [77]; 3AB 504–505; 1/10/25 NE 68–70; 8/10/23 NE 53.

²⁰ C’s AEIC at [113]; 3AB 522–523.

HP, HP+ (and HPD, as Mr Kanan claims) to inform him that in light of the prevailing circumstances and the irreparable breakdown in trust, his employment would be terminated without notice and without salary in lieu of notice (“11/12/23 Termination Email”).²¹

19 The 7/12/23 Demotion Letter amounted to a constructive dismissal of Mr Kanan’s employment by HP, HP+ and HPD; alternatively, the termination of his employment with these entities on 11 December 2023 was wrongful and a repudiatory breach of his employment contracts with them. Mr Kanan accepted the repudiatory breach on 11 December 2023.²²

20 Mr Kanan thus claims: (a) as against HP, HP+ and HPD, salary owed to him (including in lieu of notice) and the balance unconsumed annual leave; and (b) as against HP, the GIB for the years 2018 to 2022 which remain unpaid.²³

Defendants’ and Counterclaimants’ case

21 The defendants’ and Counterclaimants’ case are attested primarily by Mr Vejaiyan.

22 Pursuant to the HP Entities’ standing policy and procedure, a staff may be reimbursed for expenses only after the payment is incurred, supporting documents are submitted, and approval is obtained. For the Africa Trip, various expenses (eg, accommodation and flights) were paid in advance, and any other expenses incurred should only have been reimbursed post-payment as per the

²¹ C’s AEIC at [116]; 3AB 521.

²² C’s AEIC at [118].

²³ C’s AEIC at [120]–[121].

policy and procedure. A deviation from this policy and procedure (*eg*, by obtaining a cash advance) had to be approved by Mr Vejaiyan.²⁴

23 Mr Kanan did not obtain Mr Vejaiyan's prior approval to take the \$10,000 Advance, and failed to properly account for the sum after his return from the Africa Trip. Mr Kanan had submitted different versions of accounts in December 2023 to explain how the sum of \$10,000 was expended for the Africa Trip, but subsequently admitted that \$4,555 had to be returned as he had already been reimbursed for this sum prior to the trip. He had deliberately and falsely accounted for the \$10,000 Advance by claiming that the entire amount went towards purported expenses incurred by him for the Africa Trip.²⁵

24 Mr Vejaiyan thus denies that the 7/12/23 Demotion Letter amounted to a constructive dismissal of Mr Kanan's employment, and claims that the termination of his employment on 11 December 2023 was lawful. Mr Kanan's conduct in taking the \$10,000 Advance without prior approval, and his subsequent conduct in December 2023 when he was asked to account for the said advance, amounted to a breach of trust.²⁶

25 Thus, Mr Kanan is not entitled to any damages and HP was entitled to forfeit any GIB that remain unpaid to him. In this respect, the word "fortified" in the 7/12/23 Demotion Letter was a typographical error; the letter intended to convey that Mr Kanan's GIB for the year 2022 would be "forfeited".²⁷

²⁴ D4's AEIC at [47], [50], [53], [54].

²⁵ D4's AEIC at [54]–[55], [68]–[72].

²⁶ D4's AEIC at [46], [97]–[99].

²⁷ D4's AEIC at [88], [100]; 3/10/25 NE 110–111; 8/10/25 NE 53.

26 Additionally, the Counterclaimants allege that Mr Kanan had caused various HP Entities to make unauthorised or improper payments to him or for his benefit, between July 2019 to November 2023, totalling \$502,369.56. He had intentionally created misleading PVs to falsely represent that the payments were authorised or proper, and dishonestly diverted the funds to himself.²⁸ He had thus breached his duties as a director of HP, the terms of the HP and HP+ Contracts, and his duties as an employee of HP and HP+. Mr Kanan's serious misconduct justified the termination of his employment without notice or salary in lieu of notice.²⁹ The Counterclaimants thus claim damages amounting to \$502,369.56 based on fraud, deceit, conversion, unjust enrichment and breach of contractual and fiduciary duties ("Counterclaim").

Issues

27 I will deal with the issues broadly as follows:

- (a) whether Mr Kanan was separately employed by HPD;
- (b) whether Mr Kanan had taken the \$10,000 Advance without Mr Vejaiyan's prior approval and had deliberately attempted to falsely account for this sum;
- (c) whether Mr Kanan had caused various HP Entities to make unauthorised or improper payments for his benefit (*ie*, the Counterclaim);

²⁸ Defence and Counterclaim at [3a], [3b], [6] of the Counterclaim; D4's AEIC at [106]–[107], [114].

²⁹ Defence and Counterclaim at [40] of the Defence; D4's AEIC at [30]–[31].

- (d) whether the termination of Mr Kanan's employment was lawful or justified; and
- (e) the remedies or reliefs, including whether HP was entitled to forfeit any unpaid GIB when Mr Kanan's employment was terminated.

Whether Mr Kanan was separately employed by HPD

28 Mr Kanan claims he signed an employment contract with HPD on 1 April 2023, pursuant to which he was appointed its CEO with a monthly salary of \$3,000 ("HPD Contract"); and which contained the same contractual terms as the HP Contract. He claims he agreed with Mr Vejaiyan that, for the year of 2023, this monthly salary and the employer's monthly Central Provident Fund ("CPF") contribution of \$510 would be deducted from his GIB entitlement.³⁰

29 Mr Vejaiyan denies Mr Kanan was employed by HPD. He claims that while HPD paid Mr Kanan \$3,510 monthly from April to November 2023 totalling \$28,080 ("HPD Payments"),³¹ this was pursuant to their agreement to structure a portion of Mr Kanan's GIB to be paid in this manner. Accordingly, the HPD Payments were not in substance a "salary" from HPD.³²

30 I find that Mr Kanan has failed to show that he was employed by HPD. Whilst HPD's records reflected the \$3,000 and \$510 monthly payments to Mr Kanan as "salary" and "employer CPF" respectively, this is not determinative of the nature of the payments.

³⁰ C's AEIC at [49]–[50]; 2/10/25 NE 11, 13; 3/10/25 NE 60–61.

³¹ 3/10/25 NE 118–119; 3AB 209.

³² D's AEIC at [15]–[16]; Defence and Counterclaim at [15] of the Defence.

31 Mr Kanan did not produce a copy of the purported HPD Contract. I disbelieve his assertion that he kept a copy of it in the office (but could not retrieve it as he was denied access to the office after his employment was terminated). He could produce a copy of the HP and HP+ Contracts for the purposes of this Action. I thus disbelieve that Mr Kanan managed to retrieve a softcopy of the HP and HP+ Contracts but not the purported HPD Contract.³³

32 Further, Mr Kanan admits that the HPD Payments were part of his *GIB* that he was entitled to pursuant to his contract of employment *with HP*, and that this portion of the GIB would be paid to him through HPD *via* the HPD Payments. In essence, he *did not receive any additional remuneration from HPD*. If Mr Kanan was employed by HPD (as he claimed), any salary he was entitled to from HPD would have been *in addition* to his entitlement to GIB from HP, but this was not the case. Mr Kanan also accepts that his duties and responsibilities in HP and HP+ extended to all the HP Entities (including HPD).³⁴ In other words, there was also no change in his job scope.

33 I thus preferred Mr Vejaiyan's testimony that the HPD Payments were not true "salary" payments by HPD but were made based on an arrangement to pay a portion of Mr Kanan's GIB via HPD.

34 Indeed, during the 8/12/23 Meeting (after Mr Kanan had been confronted about taking the \$10,000 Advance), the following conversation transpired, which Mr Kanan accepts pertains to the HPD Payments:³⁵

Mr Vejaiyan: ... And also Kanan, you know by direct you have 3000 the salary, right?

³³ C's AEIC at [49]; 2/10/25 NE 10–11.

³⁴ 2/10/25 NE 7–8, 11–13, 16; 3/10/25 NE 119–120.

³⁵ 8AB 656; 2/10/25 NE 2.

Mr Kanan: Yeah.

Mr Vejaiyan: Do you have in black and white?

Mr Kanan: This one is from the ... what you call ... profit sharing.

Mr Vejaiyan: Okay.

Mr Kanan: So that one is ... end of this year won't stop...

Mr Vejaiyan: Will stop now. Already

Mr Kanan: Yeah yeah

35 The above conversation, where Mr Kanan refers to the \$3,000 as “profit sharing”, supports that the HPD Payments formed part of his GIB. Crucially, when Mr Vejaiyan asked Mr Kanan whether he had any agreement pertaining to the HPD Payments “in black and white”, Mr Kanan did not inform Mr Vejaiyan that he had signed a HPD Contract, or that there was a copy of the contract somewhere in the office.

Africa Trip and the \$10,000 Advance

36 I deal next with the \$10,000 Advance that Mr Kanan took prior to the Africa Trip (which took place from 12 to 22 May 2023).³⁶

37 Mr Vejaiyan claims as follows. Mr Kanan did not obtain his prior approval for the \$10,000 Advance. This was a breach of HP and HP+’s policy and procedure (see [22] above). Mr Kanan also failed to account for the \$10,000 Advance after he returned from the Africa Trip. He did so only in early December 2023 when Mr Vejaiyan confronted him about taking the money without prior approval. Further, he had deliberately and falsely accounted for

³⁶ 2/10/25 NE 35.

the \$10,000 Advance by claiming that the entire sum was for expenses incurred for the Africa Trip, when it was untrue.³⁷

38 I disbelieve Mr Kanan’s assertion that he had obtained Mr Vejaiyan’s prior oral approval for the \$10,000 Advance, as there is no evidence to support his assertion as such. Mr Kanan prepared and approved the PV, and he transferred the sum of \$10,000 from HP Organics to himself. His counsel, Ms Avadiar, submits that if Mr Kanan had intended to take the money in secret, he would not have placed himself at risk by informing Ms Kanni about it.³⁸ I consider this to be a neutral factor. It is also likely that Ms Kanni would have trusted Mr Kanan’s word (given that he was her boss, overall-in-charge of finance, and second-in-command in the HP Entities after Mr Vejaiyan) and would not have questioned him or verified with Mr Vejaiyan on this matter.

39 Further, Mr Kanan admitted in court that he needed Mr Vejaiyan’s prior approval to take any money for himself (or for an entity related to him) where the expense had yet to be incurred.³⁹ As I find that he failed to do so, this was clearly a misconduct or “conduct unbeneficial to the interests of [HP]” (“Misconduct Clause”), as per HP’s Policies and Procedures manual, whether it was the 2022 Edition (“HP 2022 Manual”) or the 2023 Edition (“HP 2023 Manual”) (collectively, “HP Manuals”).⁴⁰

40 In trial, Ms Avadiar claimed the HP 2023 Manual (pledged in the Statement of Claim) did not apply to Mr Kanan as it was introduced in October 2023, after the Africa Trip, and the HP Manuals applied only to HP’s staff and

³⁷ Defence and Counterclaim at [24.5]–[24.19] of the Defence.

³⁸ Claimant’s Closing Submissions dated 24 November 2025 (“CCS”) at [29(1)].

³⁹ 1/10/25 NE 35–38.

⁴⁰ Defence and Counterclaim at [31.1] of the Defence; 9AB 135–143, 145–153.

employees.⁴¹ I find this to be disingenuous. The defendants have pleaded Mr Kanan's breach of the HP Contract, specifically para 11 of the said contract, which stipulates that Mr Kanan was: (a) required to observe "all rules and regulations" of HP; and (b) to "work within [HP's] Policies and Procedures" and that a failure to comply would render him liable to face disciplinary action including immediate dismissal without notice. For completeness, the HP+ Contract contained a similar provision in para 10, and which the defendants have also pleaded.⁴² When Mr Kanan took the \$10,000 Advance, the HP 2022 Manual would have applied to him, by virtue of para 11 of the HP Contract. The HP 2023 Manual was an updated version of the HP 2022 Manual, in which the Misconduct Clause remained unchanged. Further, Mr Kanan took the \$10,000 Advance as HP's employee and for the purposes of HP's business trip, even if it was taken from HP Organics' account.

41 I also find that Mr Kanan had deliberately failed to account for the \$10,000 Advance after he returned from the Africa Trip and only sought to do so when he was confronted, in December 2023. He then made up an untrue account of how he had spent the entire sum for the purposes of the Africa Trip.

42 I find Mr Kanan was unable to articulate a consistent reason for taking the \$10,000 Advance, which left me in doubt as to his credibility. In his affidavit of evidence-in-chief ("AEIC"), he claims the money was for expenses that he *expected* to incur during the Africa Trip.⁴³ But in court, he stated that when he prepared the PV, some of the expenses for the trip had been incurred, as he had pre-paid for some expenses. He claimed that the description of "other expenses"

⁴¹ 3/10/25 NE 130–132; 8AB 127.

⁴² Defence and Counterclaim at [8] and [12] of the Defence; 2AB 39–45.

⁴³ C's AEIC at [85].

that he wrote in the PV pertained to expenses that he had already incurred, then claimed that the \$10,000 Advance was essentially obtained for payments that had either been incurred or had yet to be incurred. He then stated that some of the payments that he had incurred *did not relate to the Africa Trip*.⁴⁴

43 Further, despite allegedly informing Ms Kanni that he would square off the \$10,000 Advance (by justifying how the expenses added up to \$10,000) after he returned from the Africa Trip, I find that Mr Kanan did no such thing. He claims that he had handed Ms Kanni all the receipts for his expenses, leaving it to her to do the necessary follow-up.⁴⁵ He further alleges that as a result of this, he no longer had copies of the receipts, and had “to rely on his credit card statements to reconstruct the expenses, and in doing so, inadvertently included amounts which were unrelated to the [Africa Trip]”.⁴⁶

44 I accept Ms Kanni’s evidence that Mr Kanan never passed her receipts for the Africa Trip. This was supported by their exchange on WhatsApp on 5 December 2023, wherein Ms Kanni asked Mr Kanan to provide receipts “for the \$10,000 for South Africa one [sic]”. Instead of replying that he had *already* given her the receipts, Mr Kanan responded: “ok i will collate / i think i have everything in my old laptop”.⁴⁷

45 Mr Kanan further claims that his conduct in relation to the Africa Trip was similar to a previous occasion, where he took a \$10,000 advance for a trip to Dubai in 2022 (“Dubai Trip”) and subsequently squared it off when he returned from that trip. Notably, for the Dubai Trip, Mr Kanan prepared a

⁴⁴ 2/10/25 NE 36–38.

⁴⁵ C’s AEIC at [87]; 2/10/25 NE 41–43.

⁴⁶ 2/10/25 NE 46–47; CCS at [41].

⁴⁷ 10/10/25 NE 55; 3AB 42–46.

document with specific line items of expense and the costs incurred for each expense to “square off” or justify the sum of \$10,000 that he took. He also forwarded that document to Ms Kanni after that trip. He did not do the same for the Africa Trip.⁴⁸ I will return to deal with the Dubai Trip.

46 It is clear that Mr Kanan did not justify or account to Ms Kanni (or the HP Entities’ staff) how the \$10,000 Advance was ultimately spent until he was confronted by Mr Vejaiyan on around 5 December 2023.⁴⁹ In various spreadsheets he sent to Mr Vejaiyan or Ms Kanni in November up until 4 December 2023, pertaining to HP’s monthly financial position, he merely recorded his expenses for the Africa Trip as “\$10,000” in one line item without elaboration.⁵⁰ Even if Mr Vejaiyan had only asked Mr Kanan, on around 5 December 2023, to justify the expenditure,⁵¹ the onus remained on Mr Kanan to account for it after he returned from the Africa Trip, as he had told Ms Kanni that he would.

47 I disbelieve Mr Kanan that this was an oversight on his part. He could not have forgotten to “square off” the \$10,000 Advance for so many months after his return from the Africa Trip, and to go on submitting various versions of the spreadsheet without still accounting properly for this sum. This is in contrast to his act of preparing *two* tables of items (on around 22 April and 12 May 2022 respectively), shortly after he returned from the Dubai Trip on 1 April 2022, to justify the sum of \$10,000 that he took for that trip.⁵²

⁴⁸ 2AB 491, 523, 524; 2/10/25 NE 22–28, 41–43, 60.

⁴⁹ C’s AEIC at [88]–[89]; D4’s AEIC at [63].

⁵⁰ 2/10/25 NE 55–58; 7AB 393, 395, 400–401, 406–407, 424–425, 430, 434, 438, 446, 453, 485, 493, 500; D4’s AEIC at [57].

⁵¹ CCS at [39]; D4’s AEIC at [63]; 10/10/25 NE 57.

⁵² 2/10/25 NE 22, 24–25, 27.

48 Next, Mr Kanan claims that when he took the \$10,000 Advance, he had incurred some expenses prior to the Africa Trip that he had not been reimbursed for, and that Ms Kanni subsequently reimbursed him for most of these expenses. Mr Kanan asserts that Ms Kanni should have tallied all the receipts (that he gave her) for the Africa Trip and taken into account the \$10,000 Advance, before reimbursing him for those expenses.⁵³

49 I find Mr's Kanan's casting of blame on Ms Kanni, to justify his purported oversight or mistake in not squaring off the \$10,000 Advance, to be telling. It was Mr Kanan's case that he told Ms Kanni that *he* would square it off with her when he returned from the Africa Trip, which I have found he did not. Mr Kanan also did not explain why Ms Kanni had to deduct the expenses he had incurred prior to the Africa Trip, of which he admitted that some *did not relate to the Africa Trip* (see [42] above), from the \$10,000 Advance. It is also unclear what these expenses were for. Whilst Mr Kanan alleged he found out on 6 December 2023 that Ms Kanni had overpaid him (the \$10,000 Advance) by some \$4,555 which he subsequently returned to HP on 8 December 2023, and that it was Ms Kanni who transferred the \$10,000 Advance to him in the first place (which was clearly not the case), he later admitted that *he* had overpaid himself by claiming more than he should have.⁵⁴ Mr Kanan's frustration with Ms Kanni for not handling the reimbursements properly was but an attempt to unjustifiably blame her.

50 Mr Kanan's subsequent conduct also showed he deliberately made up an account of how he had spent the entire \$10,000 Advance for the Africa Trip. On 7 December 2023, he forwarded to Ms Logeswari by WhatsApp a table

⁵³ C's AEIC at [91]–[92].

⁵⁴ C's AEIC at [95]; 2/10/25 NE 38, 52–53.

containing a breakdown of his expenses for that trip (“7/12/23 Table”) to justify the \$10,000 Advance in its entirety, with the message “Loges i have found all the claims”.⁵⁵ He stated that the description of items in the 7/12/23 Table was based on source documents in his possession, such as his credit card statement.⁵⁶ Particularly, he made a claim of \$4,555 for a “PR Event”, which he accepted in court that he had been reimbursed for prior to the Africa Trip.⁵⁷ It is unclear how he could have mistakenly made another claim for \$4,555 (via a set-off against the \$10,000 Advance) when he had been reimbursed this sum earlier.

51 I agree with Mr Perumal (Mr Vejaiyan’s and the HP Entities’ counsel) that Mr Kanan belatedly attempted to make up the figures to justify the expenditure of the entire \$10,000 Advance.⁵⁸

52 At this juncture, I address the Dubai Trip, raised by Mr Kanan in his AEIC to support his claim that it was not uncommon to take a cash advance prior to a business trip.⁵⁹ But this does not assist his case. Mr Kanan admits that he *has to* obtain Mr Vejaiyan’s prior approval to take any money in advance from the HP Entities. In any event, I also find his subsequent justification, for taking \$10,000 in advance for the Dubai Trip, to be dubious.

53 On 22 April 2022, Mr Kanan prepared a table (“22/4/22 Table”) setting out individually the expenses for flight, hotel and “PCR” totalling \$4,977.76, and an item “Other onsite” for \$5,022.24 to make up the \$10,000 advance he had taken for the Dubai Trip. Tellingly, Mr Kanan did not explain what “Other

⁵⁵ 8AB 576–576A; D4’s AEIC at [68].

⁵⁶ 3/10/25 NE 80–81.

⁵⁷ D4’s AEIC at [72]; 3/10/25 NE 80–83.

⁵⁸ 2/10/25 NE 46; D4’s AEIC at [71]–[74].

⁵⁹ C’s AEIC at [86(3)].

onsite” referred to, and it was clear that he had written a random figure of \$5,022.24 to justify the \$10,000 advance. On 12 May 2022, he submitted an updated table to Ms Kanni (“12/5/22 Table”) with five items of expenditure, again totalling \$10,000. In court, Mr Kanan conceded that his claim for “PCR” at \$150 per unit was an expense incurred in dirham (*ie*, AED150) and it was not equivalent to S\$150.⁶⁰ In fact, it was much less than S\$150.

54 I agree with Mr Perumal that Mr Kanan attempted to put up figures for items of expense in such a way to justify the total expenditure being \$10,000, when some of the figures were false.⁶¹ Even some items of expense and its figures were different between the 22/4/22 Table and 12/5/22 Table; yet on both occasions, they added up to \$10,000. Ms Avadiar points out that no complaint was made against Mr Kanan pertaining to the cash advance he took for the Dubai Trip, or his accounting of it thereafter. But this is neutral. Mr Perumal explained in court that Mr Kanan’s conduct pertaining to the \$10,000 advance for the Dubai Trip was only discovered later in the proceedings; hence, the HP Entities had not made a claim against him in this Action. It is undisputed that this \$10,000 taken by Mr Kanan was raised only for the first time in his AEIC.⁶² Pertinently, like the Africa Trip, he prepared and approved the PV for the Dubai Trip and he transferred the \$10,000 to himself.⁶³ There is also no evidence that he obtained Mr Vejaiyan’s prior approval to take the \$10,000 for the Dubai Trip.

55 It must be remembered that Mr Kanan was an accountant; he owns a bookkeeping firm (True Blue Consultants Pte Ltd or “True Blue”) and was HP’s

⁶⁰ 2AB 491, 504–505, 523–524; 2/10/25 NE 23–26.

⁶¹ 2/10/25 NE 26.

⁶² CCS at [29(4)]; 2/10/25 NE 29; 1/12/25 NE 2.

⁶³ 2AB 488, 492; 2/10/25 NE 28.

COO and later its CEO. He was overall-in-charge of the finance department. His conduct in making claims with general descriptions such as “other onsite” without explanation or justification, and claiming for an expense such as “PCR” with an incorrect currency conversion, cannot be described as a mere oversight or mistake.

56 Finally, I deal with Mr Kanan’s assertion that he was unaware of any policy in HP for reimbursements to be made only after it had been incurred.⁶⁴ Whether there was such a standing policy is irrelevant, because Mr Kanan admitted he *has to* obtain Mr Vejaiyan’s prior approval to take moneys in advance from the HP Entities (see [39] above). This is why Mr Kanan claims to have sought Mr Vejaiyan’s prior approval for the \$10,000 Advance (which I have found to be untrue). Further, the taking of a cash advance for the Dubai Trip was merely one isolated incident raised by Mr Kanan and does not support his assertion that it was common to take an advance, much less without obtaining Mr Vejaiyan’s approval. I reiterate, Mr Kanan’s subsequent justification for the \$10,000 advance he took for the Dubai Trip is also dubious.

57 In sum, I find that Mr Kanan did not obtain Mr Vejaiyan’s approval to take the \$10,000 Advance. He deliberately failed to account for how this sum was spent until the issue was raised in around December 2023. He then attempted to justify how the \$10,000 Advance was spent in its entirety, when he knew his justification was partially untrue, before conceding a sum of \$4,555 which he should have repaid (and which he did on 8 December 2023).

⁶⁴ C’s AEIC at [86].

Whether Mr Kanan had caused the HP Entities to make unauthorised or improper payments to him or for his benefit

58 The Counterclaimants plead a counterclaim of \$538,193.56 in total, pertaining to 52 transactions which they claim Mr Kanan caused various HP Entities to make, which were unauthorised or for an improper purpose. This was subsequently reduced to 49 transactions (“49 Items”) totalling \$502,369.56.⁶⁵

59 Mr Kanan accepts that if he had taken moneys pertaining to any of the 49 Items without authorisation or for an improper purpose, he would have breached his duties as a director of HP and as an employee of HP and HP+. He accepts that he owed fiduciary duties to the HP Entities, and a duty to act honestly, with *bona fides* and reasonable care and skill, and in the best interest of the HP Entities.⁶⁶

60 The parties agree that the 49 Items can be grouped into four categories, for which their respective cases are on an all-or-nothing basis:⁶⁷

- (a) Category 1: Cash handed to Mr Kanan by a staff of the HP Entities in exchange for a cash cheque, which he claims he subsequently handed to Mr Vejaiyan or placed it in Mr Vejaiyan’s safe.
- (b) Category 2: A sum of \$26,000 taken in June 2022, which Mr Kanan claims was handed directly to Mr Vejaiyan by Mdm Ponnammal.

⁶⁵ D4’s AEIC at [106], [119]; Exhibit A3.

⁶⁶ C’s Defence to Counterclaim (Amendment No 2) at [1]; 1/10/25 NE 16–21; 2/10/25 NE 65.

⁶⁷ Agreed List of Issues (v2) (enclosed in Advocatus Law LLP’s 23/10/25 letter) (“List of Issues (v2)”) at [5].

- (c) Category 3: A sum of \$11,000, which Mr Kanan claims was a gift to him by Mr Vejaiyan.
- (d) Category 4: Payments transferred for Mr Kanan's benefit, which he claims were approved by Mr Vejaiyan as part of the former's GIB.

Category 1: Cash received by Mr Kanan

61 In respect of the items in Category 1, it is undisputed that Mr Kanan had collected cash from the HP Entities' staff, in exchange for cash cheques which he prepared and signed ("Cash Cheque(s)"). This included a Cash Cheque for \$38,461 countersigned by Mr Vejaiyan as the sum exceeded the \$30,000 limit which Mr Kanan was authorised to approve on his own.⁶⁸ Mr Kanan claims he withdrew the cash at Mr Vejaiyan's request, to assist the latter in claiming reimbursement for expenses that he incurred.⁶⁹

62 Mr Kanan explained how he collected cash from the HP staff, based on HP's established practice (see [12] above). Essentially, he would write and sign a cheque for an amount and hand it to Mdm Ponnammal together with a PV, which he approved for the corresponding sum. Mdm Ponnammal would then pass him cash corresponding to the amount on the cheque.⁷⁰

63 Mr Kanan asserts that he would then hand the cash personally to Mr Vejaiyan or place it in the latter's safe. Mr Vejaiyan denies receiving the sums, either personally or by Mr Kanan placing the cash in the safe.⁷¹ Having admitted to receiving the cash, Mr Kanan bears the evidential burden of

⁶⁸ 1/10/25 NE 99–102; 15/10/25 NE 15; Exhibit A3 (item 17); 7AB 634.

⁶⁹ C's AEIC at [139]–[141].

⁷⁰ 1/10/25 NE 99–100; 2/10/25 NE 68; 3/10/25 NE 50–51.

⁷¹ C's AEIC at [140]; D4's AEIC at [111].

showing that he then passed the cash to Mr Vejaiyan or placed it in Mr Vejaiyan's safe. I find he failed to discharge this burden.

64 There is a conspicuous absence of documentary evidence to support Mr Kanan's claim that he handed the moneys to Mr Vejaiyan or placed them in the latter's safe. For instance, there are no WhatsApp messages or emails to show that Mr Kanan had informed Mr Vejaiyan that he had handed the moneys to Mr Vejaiyan or placed them in Mr Vejaiyan's safe, or that Mr Vejaiyan had acknowledged receipt of the moneys from Mr Kanan.⁷²

65 Indeed, Mr Vejaiyan asserts that Mr Kanan would send him a WhatsApp message whenever cash was placed in his safe. For instance, in July 2021, Mr Kanan sent a WhatsApp message to Mr Vejaiyan to state that Mr Kanan had "transferred 14,272 to [Mr Vejaiyan] and left 1k+ cash in the safe".⁷³ For completeness, this particular transaction does not form part of the 49 Items. There are no similar messages in respect of the Category 1 items.

66 Mr Kanan is experienced in dealing with financial matters. He provided bookkeeping services dating back to 2002 and worked as Chief Financial Officer at another entity in 2012. In 2007, he incorporated True Blue and subsequently provided financial services to HP, which included the preparation of income statements and balance sheets for the HP Entities. When he commenced employment with HP, he was in charge of the finances of the HP Entities.⁷⁴ Mr Kanan clearly knew of the importance of proper record-keeping of moneys belonging to the HP Entities. It is thus difficult to believe that on 20

⁷² 6/10/25 NE 25.

⁷³ D4's AEIC at [111]; 8AB 72.

⁷⁴ C's AEIC at [8], [19]–[23], [37].

separate occasions,⁷⁵ he made no record of the significant sums passing through his hands, whether by sending a simple WhatsApp message to inform Mr Vejaiyan that he had placed cash in his safe, or by obtaining Mr Vejaiyan's acknowledgement of having received moneys from him. That Mr Vejaiyan never demanded Mr Kanan to prove the passing of the cash to the former (as Ms Avadiar argues)⁷⁶ is beside the point. It is for Mr Kanan to show that he had passed the moneys to Mr Vejaiyan or put them in the safe. Moreover, Mr Vejaiyan would not have demanded proof of payment of the cash to him if he was unaware of Mr Kanan having obtained the cash (*via* the Cash Cheques and corresponding PVs) from HP's office in the first place.

67 Mr Kanan relies on various matters to support that it was impossible for him to have taken the cash without subsequently handing it over to Mr Vejaiyan. However, I consider these matters did not support Mr Kanan's position.

68 For instance, Mr Kanan asserts that Mr Vejaiyan would be notified by Mr Gunasegran or Mr Rajendran when they deposited or encashed the Cash Cheques at the bank.⁷⁷ However, Mr Rajendran attested that he reports only to Mdm Ponnamal regarding this matter. Mr Gunasegran similarly attested that he did not inform anyone else when he performed banking activities at Mdm Ponnamal's directions.⁷⁸

69 Mr Kanan also relies on the fact that the cash cheques drawn in Mr Vejaiyan's favour would be recorded by the bookkeeper Ms Yoggesswari ("Ms Yogges") and reported monthly; and that Mr Vejaiyan received these

⁷⁵ Exhibit A3 (items 1–14, 17, 25, 28, 31, 37, 47).

⁷⁶ CCS at [81(4)].

⁷⁷ C's AEIC at [143]; CCS at [84(4)]–[84(5)]; 15/10/25 NE 11, 20, 26.

⁷⁸ 15/10/25 NE 12, 29.

reports pertaining to the HP Entities (“Reports”) as he was copied on the email correspondence between Mr Kanan and Ms Yoggess.⁷⁹ However, that the Reports were sent to Mr Vejaiyan does not mean that he would have read or verified every line item therein, let alone approved or authorised them.

70 I accept Mr Vejaiyan’s explanation that he did not read the Reports (which were prepared for tax purposes, as confirmed by Ms Yoggess⁸⁰) as he relied on Mr Kanan (who was hired to take charge of finance in the HP Entities) to crunch the numbers and he hired accountants to handle the financial matters.⁸¹ I accept that Mr Vejaiyan, as the business owner or manager of the HP Entities, focused on the big picture and strategic direction of the entities. I further accept that he did not keep track of whether all the reimbursements he claimed were eventually made to him, because he trusted Mr Kanan to deal with them.⁸² Mr Kanan himself stated that Mr Vejaiyan placed a very high level of trust on him, which transcended across his work in all the HP Entities (see also [8] above). Even Ms Avadiar accepted that the CEO of a company would not necessarily examine the details of every transaction pertaining to the company.⁸³

71 Notably, Ms Yoggess attests that she liaised with Mr Kanan on the Reports and other accounting documents, and she did not deal with Mr Vejaiyan unless Mr Kanan was unavailable and the matter was urgent. She also liaised with Mr Kanan on any adjustments to the accounts and she understood that his

⁷⁹ C’s AEIC at [145]–[146]; 6/10/25 NE 14–17; CCS at [84(3)], [84(6)]; 3AB 936; 4AB 424; 5AB 39.

⁸⁰ 13/10/25 NE 23.

⁸¹ D4’s AEIC at [112]; 6/10/25 NE 14–17, 37; 7/10/25 NE 10, 20.

⁸² 3/10/25 NE 52; 6/10/25 NE 14–15, 58–59; 7/10/25 NE 6, 10.

⁸³ 6/10/25 NE 17–18.

words were final in the relation to the HP Entities' accounts.⁸⁴ Ms Yogges further attests that she copied the emails (pertaining to the Reports and accounts) to Mr Vejaiyan of her own volition to keep him in the loop, but she did not know if he read the contents of the attached document.

72 Next, Mr Kanan asserts that Mr Vejaiyan would have obtained alerts from UOB each time a sum was withdrawn from the bank. In trial, Ms Avadiar conceded that there is no evidence to support this assertion.⁸⁵ UOB's letters to the various HP Entities also suggest that they did not subscribe to any such alert service.⁸⁶ Even if Mr Vejaiyan or the relevant HP Entities received bank alerts for each withdrawal made, it would merely show a withdrawal of money *from the bank*. It would not show (nor alert Mr Vejaiyan) that cash had been withdrawn *from within any of the HP Entities*, much less that the cash was subsequently received by or handed to Mr Vejaiyan.

73 Finally, Ms Avadiar placed emphasis on the fact that Mr Vejaiyan kept a meticulous set of receipts to claim reimbursement from the HP Entities. However, this did not mean that he would have kept a meticulous record of whether he had been reimbursed for each and every claim submitted. I accept that Mr Vejaiyan kept meticulous records of his receipts so that he could make a claim for those expenses. As for the subsequent reimbursements, he trusted Mr Kanan to do the necessary for him.⁸⁷

74 It is common ground that Mr Vejaiyan trusted Mr Kanan to run the affairs of the HP Entities and even in the conduct of Mr Vejaiyan's personal

⁸⁴ Ms Yogges' AEIC at [9]–[11]; 13/10/25 NE 23–24.

⁸⁵ C's AEIC at [44], [131]; 6/10/25 NE 36.

⁸⁶ D4's AEIC at [35]; 7AB 581–595.

⁸⁷ CCS at [81(a)]; 6/10/25 NE 46, 60, 62–63.

affairs.⁸⁸ It is reasonable that Mr Vejaiyan would not have checked or noticed the discrepancies in the HP Entities' finances, until the incident of the \$10,000 Advance was investigated and Mr Kanan's employment terminated. HP subsequently commenced an independent forensic accounting investigation which disclosed the transactions forming the subject of the Counterclaim.⁸⁹

75 In conclusion, I find on balance that Mr Kanan did not pass the cash to Mr Vejaiyan or put it in Mr Vejaiyan's safe, as he claims. Having made improper payments to himself, I find Mr Kanan had converted or misappropriated the moneys pertaining to Category 1.

Category 2: Sum of \$26,000 taken in June 2022

76 Category 2 pertains to a sum of \$26,000. It is undisputed that Mr Kanan prepared and approved a PV dated 1 June 2022 for \$26,000 ("1/6/22 PV") and prepared and signed a cheque of the same date for that amount. The sum of \$26,000 was withdrawn from the bank account of Herbal Pharms Telelink LLP ("HP Telelink") on 2 June 2022, via encashment of the cheque.⁹⁰

77 Mr Vejaiyan claims that Mr Kanan had obtained the money in-house from Mdm Ponnalam or a staff of HP, on presentation of the 1/6/22 PV and the cheque. Mr Kanan did not, in his AEIC, explain what transpired in relation to the money. However, Mr Perumal conceded in court that Mr Kanan did not admit to taking the \$26,000 cash.⁹¹

⁸⁸ C's AEIC at [17], [43], [59]; D4's AEIC at [8]; 3/10/25 NE 52; 6/10/25 NE 14.

⁸⁹ SOC at [31]; Defence and Counterclaim at [36] of the Defence; 7AB 509–513 (KGP Legal LLC's letter dated 12 January 2024 at [9]–[10]).

⁹⁰ Exhibit A3 (item 19); 2AB 652, 655; 7AB 636–637.

⁹¹ 7/10/25 NE 64–65, 67.

78 As Mr Vejaiyan and HP Telelink assert that Mr Kanan misappropriated the \$26,000, they bear the burden of showing that Mr Kanan received the cash. I find that they failed to discharge this burden. There is no evidence to point to Mr Kanan having taken the \$26,000 in the first place.

79 Mr Kanan claims that Mdm Ponnamal would hand cash to Mr Vejaiyan if the latter was present in the office at the material time.⁹² Mr Vejaiyan was in Singapore when this transaction took place. He also admits that he has obtained cash from Mdm Ponnamal in exchange for a cash cheque.⁹³ Thus, it is probable for him to have taken the \$26,000 directly from Mdm Ponnamal or a HP staff.

80 Mdm Ponnamal could not shed any light on who she had handed the sum of \$26,000 to, as she had no recollection of the 1/6/22 PV. She claims that whenever she handed cash to Mr Vejaiyan, the amounts were only in the region of \$1,000 to \$2,000. I disbelieve Mdm Ponnamal, noting that Mr Vejaiyan admits to having received an unrelated sum of \$24,847 in cash personally from Mdm Ponnamal in exchange for a cash cheque (which he signed).⁹⁴

81 As such, I find that the Counterclaimants have failed to prove that Mr Kanan had taken the sum of \$26,000.

Category 3: Sum of \$11,000 which Mr Kanan claims was a gift to him

82 Category 3 pertains to a sum of \$11,000 paid from HP+'s account to a car workshop (“Global Auto”), for Mr Kanan’s car repairs.⁹⁵

⁹² C’s AEIC at [140].

⁹³ Exhibit A3 (item 19); 7/10/25 NE 47–48.

⁹⁴ 7AB 630; Exhibit A3 (item 51, an item of the Counterclaim which has been withdrawn); 7/10/25 NE 47–48; 14/10/25 NE 60–61, 65.

⁹⁵ Exhibit A3 (item 15).

83 Mr Kanan claims that sometime in March 2022, Mr Vejaiyan decided to reward him for his hard work by paying for his car repairs of \$11,000. He claims that Mr Vejaiyan: (a) instructed Ms Kanni to prepare the PV for payment to be made directly from HP+'s account to Global Auto; and (b) asked Ms Kanni to mark the PV as “partner drawings” so that it would not appear as a company expense.⁹⁶ Mr Vejaiyan denies having authorised this transaction or having given instructions to Ms Kanni to prepare the PV for Mr Kanan's benefit.⁹⁷

84 Preliminarily, it is undisputed that Mr Kanan approved and signed on the PV, and he effected the fund transfer from HP+'s bank account to Global Auto.⁹⁸ I find no evidence to support Mr Kanan's claim that Mr Vejaiyan approved this payment for Mr Kanan's benefit. Mr Kanan did not adduce evidence of such approval. Conveniently, he claims that he would always obtain Mr Vejaiyan's approval to transfer money to himself, in person or over the telephone.⁹⁹ I disbelieve Mr Kanan would have conducted himself in this manner without making a record of Mr Vejaiyan's approval, and I reiterate [66] above. Indeed, when first queried in court as to who had effected the \$11,000 transfer to Global Auto, Mr Kanan was evasive. He first claimed it could have been Ms Kanni, then denied that he effected the transfer, before finally admitting that *he* did so when confronted with his earlier testimony that only he or Mr Vejaiyan could effect a payment transaction (see [11] above).¹⁰⁰

⁹⁶ C's AEIC at [138(1)].

⁹⁷ 7/10/25 NE 28–30.

⁹⁸ 1/10/25 NE 141–144; C's AEIC at [138(1)]; 2AB 530.

⁹⁹ C's AEIC at [131].

¹⁰⁰ 1/10/25 NE 144–148.

85 Ms Kanni had prepared the description for the PV as “Partner drawings” and reflected the payee (in the “Pay To” line item) as “Mr VJ” (being Mr Vejaiyan).¹⁰¹ Contrary to Mr Kanan’s assertion that Ms Kanni prepared the PV on Mr Vejaiyan’s instructions, Ms Kanni testified that it was done on Mr Kanan’s instructions. This was after the accountant flagged the absence of a PV for a corresponding withdrawal from HP+’s account; hence the handwritten words on the PV stating “Missing PV. Prepared by Kanan Instruction.”¹⁰² I accept Mr Vejaiyan’s explanation that there was no reason to reward Mr Kanan by giving him this \$11,000 (via a payment to Global Auto) when he was already being rewarded via payments of GIB.¹⁰³

86 In conclusion, I find on balance that Mr Kanan had caused the \$11,000 to be improperly paid for his benefit.

Category 4: Payments purportedly for Mr Kanan’s GIB

87 Category 4 comprised 27 payments, made for Mr Kanan’s benefit. This comprised 25 payments to his Amex credit card account (“Amex A/C”),¹⁰⁴ a payment to True Blue via a cheque¹⁰⁵ and a payment to a car workshop (“Image Car Care”),¹⁰⁶ which Mr Kanan claims were authorised or approved by Mr Vejaiyan as payments towards GIB owed to the former. It is undisputed that Mr Kanan is entitled to GIB only from HP pursuant to the HP Contract.¹⁰⁷

¹⁰¹ 10/10/25 NE 43; 2AB 527.

¹⁰² 10/10/25 NE 46–47.

¹⁰³ 7/10/25 NE 29.

¹⁰⁴ Exhibit A3 (items 16, 20–24, 26, 27, 29, 30, 32–36, 38–43, 45, 46, 48, 49).

¹⁰⁵ Exhibit A3 (item 18); 2AB 647, 649; 10AB 1.

¹⁰⁶ Exhibit A3 (item 44); 3AB 140, 142.

¹⁰⁷ 3/10/25 NE 84–85.

88 To determine whether these payments were authorised, I first consider the parties' agreement on the computation of Mr Kanan's GIB and the amount payable to him pursuant to that agreement.

The parties' agreement on the computation of Mr Kanan's GIB

89 Mr Kanan's entitlement to GIB is set out in para 7(b) of the HP Contract, calculated based on a specified formula. The GIB for a financial year ("FY") of HP (which follows the calendar year) is payable in the following year.¹⁰⁸

90 Mr Kanan claims he was entitled to GIB for FY2018 to FY2022 of \$1,060,308.12, a figure calculated based on the revenue, growth in revenue, and profit for each FY. He claims he was paid \$609,707.94 (which included the Category 4 items) and that \$450,600.18 remains due to him, as follows ("C's Table"):¹⁰⁹

Year	Revenue	Profit	GIB Earned	Amount received	Balance due
2017	\$5,577,603.00		N.A.		
2018	\$6,068,156.60	\$1,194,765.25	\$84,512.38	\$18,158.47 (for FY2018)	\$66,353.91
2019	\$6,981,487.57	\$1,364,975.43	\$178,568.58	\$30,000 (for FY2019)	\$148,568.58
2020	\$8,086,084.86	\$2,150,459.86	\$293,762.95	\$121,972.72 (for FY2020)	\$171,790.23
2021	\$9,271,792.00	\$2,417,324.70	\$309,135.40	\$258,376.57 (for FY2021)	\$50,758.83
2022	\$10,541,950.00	1,612,873.82	194,328.81	\$181,200.18 (for FY2022)	\$13,128.63

¹⁰⁸ 2AB 41; 1/10/25 NE 54, 60.

¹⁰⁹ C's AEIC at [121]–[123].

	Total		\$1,060,308.12	\$609,707.94	\$450,600.18
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91 In court, Mr Vejaiyan agreed that Mr Kanan's method of computing the GIB was correct, but subject to the following. The *final* quantum of GIB for each year was agreed between him and Mr Kanan after Mr Kanan had worked out and presented to him statements of accounts ("SOA(s)") showing the GIB computation, which took into account deductions and adjustments for various expenses. Further, any GIB that remained payable to Mr Kanan, when his employment was terminated, was forfeited due to his misconduct.¹¹⁰

92 In the above regard, Mr Vejaiyan claims that the amount of GIB payable, and already paid, to Mr Kanan is as follows ("D4's Table"):¹¹¹

No.	Year	GIB calculated as agreed	GIB payable	GIB paid as agreed
(1)	2018	\$36,400.48	\$18,158.46 (after deduction of agreed sum of \$18,242.02)	\$18,158.47
(2)	2019	\$106,252.37	\$80,294.51 (after deduction of agreed sum of \$25,957.86)	\$40,294.52
(3)	2020	\$237,300.22	\$242,972.72 (including the agreed sum of \$40,000 brought forward from 2019 and after deduction of the agreed sum of \$34,327.50)	\$121,972.72
(4)	2021	\$309,135.49	\$346,047.80 (including the agreed sum of \$121,000 brought forward from 2020 and after deduction of the agreed sum of \$84,087.69)	\$149,047.80

¹¹⁰ 3/10/25 NE 28, 98, 100–102, 148–150; D4's AEIC at [40]–[41].

¹¹¹ D4's AEIC at [44]–[45].

(5)	2022	\$209,828.82	\$240,000 (including the agreed \$197,000 brought forward from 2021 and after deduction of the agreed sum of \$166,828.82)	\$60,000 and \$28,080 (comprising \$3,510 x 8 months from April to November 2023 paid by HPD)
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93 To support his computation, Mr Vejaiyan produced the SOAs and slides prepared by Mr Kanan at the material times. In the SOAs, Mr Kanan computed his GIB entitlement for each year from FY2018 until FY2021, including the amounts he had been paid and the amount of payment that would be deferred to the following year.¹¹² Mr Kanan also prepared presentation slides of the HP Entities’ “2021 Performance Review” for FY2021 (“FY2021 Slides”) and “2022 Performance Review” for FY2022 (“FY2022 Slides”), which he sent to Mr Vejaiyan on 22 March 2022 and 4 July 2023 respectively.¹¹³

94 Mr Kanan confirms the SOAs, and the FY2021 Slides and FY2022 Slides (collectively, “Slides”), were prepared by him, and the GIB quantum for the respective FYs were agreed with Mr Vejaiyan at the material time. These documents were prepared a few months after the accounts for the previous FY were ready.¹¹⁴

95 I accept Mr Vejaiyan’s testimony that the quantum of GIB that Mr Kanan was eventually entitled to for any FY was agreed between them after

¹¹² 2AB 58–59, 61, 73–74, 77; 3AB 462, 488–496.

¹¹³ 2AB 77; 3AB 453–469, 481–496; 1/12/25 NE 18, 27, 28.

¹¹⁴ 1/10/25 NE 51–52, 56, 59–62, 64–66; 3/10/25 NE 10.

Mr Kanan crunched the numbers for the HP Entities and prepared the SOAs to derive his GIB for that FY. This is supported by the SOAs and Slides, where Mr Kanan presented the HP Entities' sales, profits and other matters, including deductions, to derive his GIB. Mr Kanan also confirms that Mr Vejaiyan had to approve the quantum of GIB before he was entitled to it, and that he would meet with Mr Vejaiyan to agree on the GIB that he had earned for the FY.¹¹⁵

96 Mr Kanan asserts, however, that he and Mr Vejaiyan *also* orally agreed that the quantum of GIB for a FY (that he had computed at the material time) could be adjusted once the actual figures of the HP Entities' revenue, profit, *etc.*, were obtained. Mr Kanan claims he prepared a "running total document" (showing the adjusted figures for the GIB from FY2018) and the amounts were adjusted every year ("GIB Document"). He claims however that he no longer has access to that document. He further claims the GIB Document, which ran into many pages, was handwritten by him and signed by both parties each time it was updated. Mr Vejaiyan disputes the existence of the GIB Document.¹¹⁶

97 I disbelieve Mr Kanan that he had prepared a GIB Document as he claims. He produced no such GIB Document. Further, his explanation that the GIB Document could not be typed out once it had been handwritten because the previous version would have been signed,¹¹⁷ cannot be believed. Mr Kanan had in fact prepared two versions of the SOA for the GIB computation for FY2020, and both were typewritten. He confirmed that he prepared the second version to reflect the change in the final amount of the GIB after it was recomputed.¹¹⁸

¹¹⁵ 1/10/25 NE 38; D4's AEIC at [40]; C's AEIC at [55].

¹¹⁶ C's AEIC at [33], [57]; 1/10/25 NE 66–67; 3/10/25 NE 19–20.

¹¹⁷ 3/10/25 NE 19–20.

¹¹⁸ 2AB 73, 74; 1/10/25 NE 61.

98 Even if Mr Kanan had a GIB Document which he updated every year (which I disbelieve), he had ample opportunity to reflect the most updated “running total” *in the SOAs* in *subsequent* years, but he did not do so. He had the final accounts for the previous FY when he prepared the SOAs for the next FY. He prepared the SOAs which included computations of the GIB for the relevant FYs, and which was agreed with Mr Vejaiyan at the material time.¹¹⁹

99 Mr Kanan admits that when the FY2019 GIB was discussed and agreed with Mr Vejaiyan *in 2020*, he had the finalised accounts for the HP Entities for *FY2018*. He also admits that *by 2021* (when he prepared the SOA to reflect his GIB for FY2020) he had the finalised accounts for *FY2019*; and that *by 2022*, he had the finalised accounts for *FY2020*. Likewise, in 2023, he had the finalised accounts for *FY2021* to compute his *FY2021* GIB. He also admits that before he calculated the GIB for an FY, he would have known of the final figures of all the earlier agreed GIBs. He had the consolidated accounts and financial documents of the HP Entities at the material times.¹²⁰ Essentially, Mr Kanan had ample opportunity to update the earlier SOAs and Slides to reflect the purported adjusted (and agreed) amounts of GIB in the earlier FYs. Yet he did not do so, until his employment was terminated and he then made a claim through his lawyers in March 2024.¹²¹

100 The absence of revised computations of GIB in the SOAs for the subsequent FYs is telling. In fact, the computations for FY2020, FY2021 and

¹¹⁹ 1/10/25 NE 51–52, 55–56, 59–62, 65–66; 3/10/25 NE 13–15; 8/10/25 NE 16, 72.

¹²⁰ 3/10/25 NE 12–15, 20–21, 23, 94–95.

¹²¹ 3/10/25 NE 11, 15, 21–22.

FY2022¹²² accounted for “savings” from the previous FYs, which *matched* the GIB quantum from the previous FYs for which payment was deferred.

- (a) For FY2019, the SOA reflected a sum of \$40,000 in GIB as “Balance to be deferred”. This was reflected in the SOA for FY2020 as “Add Savings from 2019”.¹²³
- (b) For FY2020, the SOA reflected a sum of \$121,000 in GIB as “Saved for 2021”. This was reflected in the SOA for FY2021, and also in the FY2021 Slides, as “Bonus saved from 2020”.¹²⁴
- (c) For FY2021, the SOA reflected a sum of \$197,000 in GIB as “Saved for 2022”. This was reflected in the FY2022 Slides as “Savings from 2021”.¹²⁵

101 Crucially, C’s Table (at [90] above) of Mr Kanan’s computation of “revenue” and “growth in revenue” (prepared for this Action) are consistent with various figures he reflected in the SOAs and Slides (prepared and agreed with Mr Vejaiyan at the material times), save for slight differences.¹²⁶ This puts paid to his assertion that he made adjustments *via* the GIB Document in subsequent years, and further supports the conclusion that he had prepared accurate figures in the material years to show his GIB entitlement.

¹²² 2AB 74, 77; 3AB 491.

¹²³ 2AB 61, 74.

¹²⁴ 2AB 74, 77; 3AB 462.

¹²⁵ 2AB 77; 3AB 482, 491.

¹²⁶ 2AB 59 (“Total Sales in 2017”, “Actual Sales in 2018” and “Increase in Total Sales”); 2AB 61 (“Revenue”, “Increase v 2018”); 2AB 74 (“2020 Revenue” and “D – B”); 2AB 77 (“2021 Sales Revenue” and “2021 Increase in Sales”); 3AB 458 (“2021 Sales Revenue” and “2021 Increase in Sales”); 3AB 486, 488 (“Sales Revenue” and “Increase in Revenue”).

102 I reject Mr Kanan's assertion that he did not revise the GIB figures in the subsequent SOAs because he expected to retire at HP, and assumed that he could eventually withdraw the balance payments owed to him.¹²⁷ Even if he did not intend to withdraw his GIB immediately, this does not explain why he did not reflect updated numbers of his *entitlement* in subsequent GIB computations he prepared (*via* the SOAs and Slides), especially if there was a material *upwards* change to his GIB entitlement.

103 I also reject Mr Kanan's assertion that he did not take issue with the earlier GIB computations reflected in his SOAs and Slides, because Mr Vejaiyan had orally agreed to allow him to take the GIB via payments to his Amex A/C. Mr Kanan claimed in court that the purported oral agreement with Mr Vejaiyan (that he would be entitled to the adjusted aggregate of \$450,600.18) was made *in 2022*; thus, from that year he started making payments to his Amex A/C.¹²⁸ I reject Mr Kanan's assertion. He has not shown evidence of the oral agreement. His assertion that the agreement (to adjust his GIB) was made *only in 2022* also contradicts his assertion that he prepared a GIB Document whereby he adjusted his GIB *yearly* and the adjustments were agreed by Mr Vejaiyan at the material updates (see [96] above). Moreover, if such agreement was made in 2022 (or earlier) to adjust his GIB upwards, it is strange that Mr Kanan did not put the revised figure in his FY2022 Slides, which were prepared only in 2023.

104 Indeed, while Mr Kanan alleges that Mr Vejaiyan procrastinated in having meetings to discuss the GIB that he was entitled to, Mr Kanan admits that they *did* eventually meet, and had *agreed* on “the total [GIB] that

¹²⁷ C's AEIC at [55]; 3/10/25 NE 15, 20–23.

¹²⁸ 3/10/25 NE 21–22; C's AEIC at [55]–[56].

[Mr Kanan] had earned for the year”, and that he then proceeded to withdraw a portion of it so that he would at least be paid a part of what he was owed.¹²⁹

105 Mr Kanan’s lack of documentation to show the purported agreement to adjust his GIB (as reflected in C’s Table) is glaring, and I reiterate [66] above. It is unbelievable that he would neglect to keep some semblance of a proper record in respect of funds owing to him, especially if the sums are significant.

106 In sum, I find the SOAs and Slides most accurately reflect the quantum of GIB Mr Kanan was entitled to from FY2018 to FY2022, *as agreed between Mr Kanan and Mr Vejaiyan*. Consequently, I reject Mr Kanan’s claim that he was entitled to a total GIB of \$1,060,308.12 (for FY2018 to FY2022). By his own admission, the quantum of GIB that he was entitled to for a particular year would have to be subject to Mr Vejaiyan’s approval. The documentary evidence (*via* the SOAs and Slides) show the agreement between the parties as to Mr Kanan’s GIB entitlement for each FY, and there is no evidence to show that the entitlement was subsequently varied (as Mr Kanan claims), much less with Mr Vejaiyan’s approval.

Amount of GIB due to Mr Kanan, and unpaid, before termination of his employment

107 I turn to the amount of GIB that remained due to Mr Kanan prior to the termination of his employment with HP.

108 Mr Vejaiyan accepts there is a sum due and owing to Mr Kanan as at FY2022. I accept Mr Vejaiyan’s computation as per D4’s Table, save for his

¹²⁹ C’s AEIC at [55]–[56].

claim (in item 5 of D4's Table) that for FY2022, Mr Kanan was paid \$88,080 (\$60,000 + \$28,080) as GIB. I will return to this later.

109 Ms Avadiar does not dispute the accuracy of the computations in D4's Table, based on what is reflected in the SOAs and Slides, except for the figure of \$84,087.69 (in item 4 of D4's Table) which Mr Vejaiyan claims is a deductible.¹³⁰ I am satisfied that \$84,087.69 was rightly deducted to arrive at the net amount of \$346,047.80 as the GIB for FY2021 (*ie*, \$309,135.49¹³¹ + \$121,000¹³² – \$84,087.69¹³³). Although Mr Vejaiyan did not explain in his AEIC how he derived the figure of \$84,087.69, on my further instructions, Mr Perumal gave an explanation, relying on the FY2021 SOA that set out deductibles of \$35,415.69 (“Financed from Kanan’s Share”), \$22,932 (“Bonus in Feb 2022”) and \$25,740 (“Salary increment adjustment”).¹³⁴ Whilst Ms Avadiar objects to Mr Perumal’s subsequent explanation on the basis that Mr Kanan was not cross-examined on how the \$84,087.69 was derived (and hence had no opportunity to explain the figure), I find this objection unsustainable.

(a) First, the FY2021 SOA (as with other SOAs), *prepared by Mr Kanan*, was put in evidence for the Action and brought to his attention in his cross-examination. Although he was not asked specifically to deal with the \$84,087.69, he did not contradict Mr Vejaiyan on this.

¹³⁰ 1/12/25 NE 11–25, 28–29.

¹³¹ 3AB 462 (FY2021 Slides, item on “Profit sharing for 2021”).

¹³² 3AB 462 (FY2021 Slides, item on “Bonus saved from 2020”).

¹³³ 2AB 77 (SOA for FY2021, line items “\$35,415.69 – Financed from Kanan’s share”, “Bonus in Feb 2022 – \$22,932.00” and “Salary increment adjustment – \$25,740”).

¹³⁴ Mr Perumal’s letter to the court dated 1 December 2025; 2AB 77.

(b) Indeed, Mr Kanan had, in his FY2021 SOA and FY2022 Slides, agreed that the sum of GIB to be carried over from FY2021 was \$197,000.¹³⁵ The figure of \$197,000 is derived from the figure of \$346,047.80 (*after netting off the \$84,087.69*) of GIB payable in FY2021 and deducting the sum of \$149,047.80 which had been paid. The figure of \$197,000 is reflected in D4's Table at item 5.

(c) That the sum of \$197,000 was carried over from FY2021 to FY2022, is reflected next in D4's Table at item 5. Again, I accept the computation of GIB for FY2022 at item 5 to be correct. The figure of \$209,828.82 (being GIB "calculated as agreed") is stated by Mr Kanan himself in the FY2022 Slides.¹³⁶ The GIB "payable" of \$240,000 included the \$197,000 carried forward from FY2021 and a deduction of \$166,828.82, all of which are reflected in Mr Kanan's FY2022 Slides.¹³⁷

(d) Mr Kanan himself stated that the final amount payable to him in FY2022 was \$240,000, but with \$120,000 to be paid in the following year; and that he had been paid \$60,000 from the sum of \$240,000.¹³⁸ This coheres with his FY2022 Slides,¹³⁹ and with D4's Table that the GIB payable was \$240,000 and that \$60,000 was paid.

110 In summary, I accept the GIB that remained payable up to FY2022 was \$240,000 (as per D4's Table at item 5). From this \$240,000, I find that \$183,510

¹³⁵ 2AB 77; 3AB 491.

¹³⁶ 3AB 488 (line item "Kanan \$209,828.82").

¹³⁷ 3AB 491 ("Savings from 2021 (\$197,000)", "Contributions to staff bonus (-\$16,763.41)", "Less Bonus received (-\$42,120)", "Salary adjustment (-\$31,590)" and "Board adjustment (-\$76,355.41)"); 1/12/25 NE 28-29.

¹³⁸ 1/10/25 NE 81; 2/10/25 NE 5; 1/12/25 NE 29; Exhibit B2 (item 52).

¹³⁹ 3AB 491 (line item "50% saved for 2023 - \$120,000.00").

remained unpaid to Mr Kanan when his employment was terminated. The figure of \$183,510 (being \$240,000 – \$60,000 + \$3,510) is derived as follows:

- (a) \$60,000 should be deducted from the \$240,000, as it was undisputedly paid to Mr Kanan.
- (b) Mr Perumal accepts that \$240,000 is the sum owing after deducting \$166,828.82. The deduction of \$166,828.28 includes the \$28,080 in HPD Payments (see [29] above).¹⁴⁰
- (c) However, the \$166,828.28 includes an additional deduction of \$3,510, an intended HPD Payment in the month of December 2023, which was not paid to Mr Kanan.¹⁴¹

111 I will deal later with whether Mr Kanan’s entitlement to the remaining \$183,510 can be forfeited upon the termination of his employment due to his misconduct.

Whether payments to Mr Kanan’s Amex A/C were authorised

112 I now determine whether the 25 payments which Mr Kanan caused various HP Entities to make to his Amex A/C between April 2022 to November 2023, were authorised. Mr Kanan claims he paid himself GIB in such manner from 2022, with Mr Vejaiyan’s approval.¹⁴²

113 I have rejected Mr Kanan’s claim that these payments were authorised or approved by Mr Vejaiyan as there is no evidence of this approval. I reiterate

¹⁴⁰ 1/12/25 NE 31, 33–34.

¹⁴¹ 1/12/25 NE 34.

¹⁴² C’s AEIC at [55]–[56], [58].

[103] above. Mr Kanan's own evidence and conduct cast doubt on his credibility. He claims Mr Vejaiyan was the maker and authoriser of most of these transactions,¹⁴³ but this contradicts his testimony that *he* made the payments to himself using the bank tokens.¹⁴⁴

114 Notably, Mr Kanan wrote 24 of the 25 PVs¹⁴⁵ and signed/approved all of them.¹⁴⁶ On some PVs, he described the payee ("PAY TO") as Mr Vejaiyan,¹⁴⁷ or the purpose of payment ("DESCRIPTION") as Mr Vejaiyan's "claims" or "drawings".¹⁴⁸ Mr Kanan explained that for four of the PVs ("Four PVs"), he inadvertently described the payee as "VJ" (*ie*, Mr Vejaiyan) instead of "AMEX".¹⁴⁹ I disbelieve he had made such a fundamental mistake when he was paying himself. In court, Mr Kanan admitted that one of the Four PVs (dated 10 October 2023 for \$8,171.50 and described as a tax claim for July 2023) was originally meant for Mr Vejaiyan's reimbursement. However, he claimed that Mr Vejaiyan allowed him to use that PV to claim his (Mr Kanan's) GIB instead and that that was the reason Mr Vejaiyan was named as the payee.¹⁵⁰ This latter explanation contradicted Mr Kanan's explanation in his AEIC that naming Mr Vejaiyan as the payee was a mere mistake.¹⁵¹ It is also inexplicable why Mr Kanan did not just issue a new PV to reflect a payment to himself.

¹⁴³ Exhibit A (under "Claimant's Explanation" for items 16, 20–23, 26, 27, 29, 32, 33, 38–43, 46, 48, 49).

¹⁴⁴ C's AEIC at [56], [58], [137].

¹⁴⁵ Except for item 49 of Exhibit A3; 3/10/25 NE 63.

¹⁴⁶ 2AB 537, 663, 672, 676, 701, 711, 782, 786, 870, 879, 915, 919, 923, 938, 947, 977, 1009; 3AB 95, 127, 131, 135, 150, 159, 164, 168.

¹⁴⁷ 2AB 663, 676, 701, 879; 3AB 164.

¹⁴⁸ 2AB 711, 782, 786, 915, 919, 923, 938; 3AB 95, 150, 159.

¹⁴⁹ C's AEIC at [138(2)]–[138(5)]; Exhibit A3 (items 22, 23, 30, 49); 3/10/25 NE 48–49.

¹⁵⁰ 3AB 164; Exhibit A (item 49); 3/10/25 NE 65–66.

¹⁵¹ C's AEIC at [138(2)].

Whether payment of \$31,047.80 to True Blue (for Mr Kanan) was authorised

115 Next, Mr Kanan prepared and signed a PV for \$31,047.80 and prepared a cheque to True Blue for the same amount. Mr Vejaiyan countersigned the cheque as the withdrawal limit exceeded \$30,000. Mr Kanan claims he obtained Mr Vejaiyan's approval for this payment as part of his GIB.¹⁵² Mr Vejaiyan admits that he signed the cheque without querying Mr Kanan about it, but disputes that he approved this payment to Mr Kanan for his GIB.¹⁵³

116 I find, on balance, that Mr Vejaiyan did not approve the \$31,047.80 as payment to Mr Kanan for his GIB.

117 First, I have found the SOAs and Slides reflected the parties' agreement of Mr Kanan's GIB entitlement for each FY. I have also accepted Mr Vejaiyan's computation of the GIB (including the total already paid to Mr Kanan, via payments to True Blue, in 2022 as approved or agreed) (see [92], [108]–[109] above). The documentary evidence, prepared by Mr Kanan himself, is cogent evidence of the record of what was due and what had been paid to him as GIB.

118 Second, the PVs for all previous payments to True Blue for Mr Kanan's GIB (of which Mr Vejaiyan kept a record)¹⁵⁴ reflected the payee as True Blue. All but one¹⁵⁵ of those PVs were signed/approved by Mr Vejaiyan.¹⁵⁶ In contrast, the payee in the PV for the sum of \$31,047.80 was reflected as "VJ" and the PV

¹⁵² 2AB 647; 1/10/25 NE 156–158; 3/10/25 NE 40; 6/10/25 NE 60.

¹⁵³ 6/10/25 NE 64–65, 67.

¹⁵⁴ 2AB 77–78; 1/01/25 NE 62.

¹⁵⁵ 2AB 457.

¹⁵⁶ D4's AEIC at [45]; 2AB 315, 318, 342, 345, 357, 360, 378, 381, 383, 386, 430, 433, 462, 465, 467, 470, 483, 486, 629, 631, 633, 635, 658, 661, 667, 670, 680, 683, 706, 709, 855, 858, 942, 945; 3/10/25 NE 41–42.

was signed/approved by Mr Kanan. Mr Kanan did not explain in his AEIC why he wrote “VJ” as the payee. When queried in court, he was evasive. He first claimed that it was “profit-sharing paid to True Blue”, then said that it was from Mr Vejaiyan’s drawings, before finally stating that it “[m]ust have been a mistake”.¹⁵⁷

119 That Mr Vejaiyan had countersigned on the \$31,047.80 cheque is neutral. I accept his explanation that when he was presented with the cheque by Mr Kanan to sign, he did not have sight of a corresponding PV (which in any case contained a description that did not match the purported purpose of the payment).¹⁵⁸ Mr Vejaiyan’s willingness to sign the cheque without sight of the PV must also be seen in light of his having previously approved many PVs for payment to True Blue for Mr Kanan’s GIB and the high degree of trust he placed in Mr Kanan pertaining to the affairs of the HP Entities.

Whether \$3,800 payment to Image Car Care was authorised

120 Finally, Mr Kanan prepared and approved a PV for \$3,800. A direct fund transfer of the same amount was made from HPD’s bank account to Image Car Care. Mr Kanan claims Mr Vejaiyan had agreed to this payment, for repairs to Mr Kanan’s car, as constituting part payment of his GIB.¹⁵⁹

121 I find, on balance, that Mr Vejaiyan did not approve the \$3,800 as payment for Mr Kanan’s purposes, much less for his GIB. I reiterate [117] above. Whilst Ms Avadiar claims that Mr Vejaiyan had caused the payment to be made to Image Car Care (because Mr Vejaiyan was the registered user of the

¹⁵⁷ 3/10/25 NE 41.

¹⁵⁸ 6/10/25 NE 68.

¹⁵⁹ 3AB 140, 142; C’s AEIC at p 259 (Table at s/n 47); Exhibit A3 (item 44).

UOB bank tokens),¹⁶⁰ her claim is unsupported. This is not Mr Kanan's testimony. It is also undisputed that Mr Kanan had access to the bank tokens and was authorised to transfer money from the HP Entities' bank accounts and which he did on many occasions. On balance, it was Mr Kanan who caused the transfer of the \$3,800 from HPD's account to Image Car Care. It must be remembered that Mr Kanan prepared and approved the PV for this transfer.

Conclusion on the Category 4 payments

122 In sum, I find Mr Kanan had caused the 27 payments under Category 4 to be made to himself or for his benefit, when they were unauthorised or improper payments. In so far as Ms Avadiar seeks to show that this could not be the case, as the Reports of the HP Entities were sent to Mr Vejaiyan regularly and he would have objected to these payments at the material time if they had been irregular, I reiterate [70]–[72] above.

Conclusion on the Category 1 to Category 4 payments

123 In respect of Categories 1, 3 and 4, I find Mr Kanan had misappropriated the funds and converted them for his use. In doing so, Mr Kanan had also breached the terms of his employment contracts with HP and HP+. He also acted in breach of his duties as HP's director under s 157(1) of the Companies Act 1967 (2020 Rev Ed), and in breach of fiduciary duties which he accepts he owed to the HP Entities.¹⁶¹ Thus, I allow the Counterclaim in respect of the payments made under Categories 1, 3 and 4; but dismiss the Counterclaim in respect of the payment made under Category 2. I will return to the measure of damages.

¹⁶⁰ Exhibit A3 (under "Claimant's Explanation" for item 44); 7AB 566–567.

¹⁶¹ 1/10/25 NE 16–19, 21; Claimant's Defence to Counterclaim (Amendment No 2) at [1].

Whether the termination of Mr Kanan's employment with HP and HP+ was lawful

124 An employment contract is treated like any other contract. It may be terminated by one party either in accordance with the express terms therein or under common law following a repudiatory breach by the other party (*Phosagro Asia Pte Ltd v Piattchanine, Iouri* [2016] 5 SLR 1052 (“*Phosagro Asia*”) at [54]–[55]).

125 I found Mr Kanan had taken the \$10,000 Advance for the Africa Trip without prior approval. He then failed to account for the sum, despite claiming to have informed Ms Kanni that he would “square [it] off” when he returned from the Africa Trip, until he was confronted by Mr Vejaiyan many months later. When found out, he attempted to justify how it was spent despite knowing that the justification he proffered was partially untrue (see [57] above). That he subsequently repaid the excess of \$4,555 is irrelevant.

126 Pursuant to the HP and HP+ Contracts, a failure to comply with the company policies and procedures (which included the HP Manuals) renders Mr Kanan liable to face disciplinary action “which will include immediate dismissal without notice” (see [40] above). I agree with the defendants that Mr Kanan’s actions constituted “misconduct” or “conduct unbenevolent to the interests” of HP and HP+, one of the grounds stipulated under the HP Manuals which allowed HP and HP+ to terminate their respective employment contracts with Mr Kanan without notice or payment in lieu of notice.¹⁶² Mr Kanan accepts that the HP Manuals applied to him; in fact, he instructed Ms Kanni to prepare the latter version.¹⁶³

¹⁶² 9AB 139, 149; Defence and Counterclaim at [31] of the Defence; 2/10/25 NE 62.

¹⁶³ 2/10/25 NE 62–63.

127 Whilst Ms Avadiar argues that the 11/12/23 Termination Email did not expressly mention Mr Kanan's taking of the \$10,000 Advance and his inability to justify taking all of the \$10,000 as the reason for the termination of his employment,¹⁶⁴ the email stated that the decision to dismiss Mr Kanan was made after careful consideration of the "circumstances surrounding [Mr Kanan's] recent actions and responses". The "recent actions" would have pertained to Mr Kanan's conduct in taking the \$10,000 Advance and subsequently attempting to justify his actions, and the fact that when handed with the 7/12/23 Demotion Letter, he denied the mishandling of company funds and claimed that he had done nothing wrong, in his 10/12/23 Email (see [18] above). In continuing to deny his wrongful acts, the relationship of trust and confidence between him and the HP Entities had irreparably broken down.

128 By his misconduct, Mr Kanan also committed a repudiatory breach of his employment contract. Where an employee misappropriates funds belonging to his employer, this would entitle the employer to terminate the employment contract (*Sinclair v Neighbour* [1967] 2 QB 279, cited in *Phosagro Asia* at [50] and [53]). Such conduct falls squarely within a "Situation 3(b)" type of breach described in *RDC Concrete Ptd Ltd v Sato Kogyo (S) Pte Ltd* [2007] 4 SLR(R) 413 (at [99]), where the nature and consequences of the breach warrant termination of the contract. Such misconduct destroys the relationship of trust and confidence underlying the contract of employment between the employee and the employer, rendering the employment relationship untenable.

129 I also found that Mr Kanan had misappropriated the funds, the subject of the Counterclaimants, namely the Categories 1, 3 and 4 transactions. Mr Kanan accepts that if he had misappropriated funds from the HP Entities, or

¹⁶⁴ 8/10/25 NE 50–51; CCS at [53].

taken moneys without authorisation or for an improper purpose, such conduct would fall squarely within the provisions of the HP and HP+ Contracts and would justify his dismissal without notice or payment in lieu of notice.¹⁶⁵

130 The parties agree that the defendants can rely on their *subsequent* discovery of Mr Kanan's misappropriation of funds to justify the termination of his employment with HP and HP+.¹⁶⁶ An employer can rely on the misconduct of its employee, discovered after the employee's dismissal, as a defence to a wrongful dismissal claim (*Goh Kim Hai Edward v Pacific Can Investment Holdings Ltd* [1996] 1 SLR(R) 540 at [8]; *Cowie Edward Bruce v Berger International Pte Ltd* [1999] 1 SLR(R) 739 at [39]; *Phosagro Asia* at [42]–[43]).

131 At this juncture, I deal briefly with Mr Kanan's argument that due inquiry should have been conducted before he was dismissed.¹⁶⁷ I reject this argument. Absent a term in the employment contract to the contrary, there is "no general requirement or expectation that a party purporting to exercise a particular contractual right, or to act in a particular way that might be prejudicial to the other party, has a general duty to act fairly, or a more specific duty to observe any particular requirements of natural justice" (*Leiman, Ricardo v Noble Resources Ltd* [2020] 2 SLR 386 ("Leiman, Ricardo") at [133]–[134]).

132 Mr Kanan accepts that HP, HP+ (and HPD) did not have any guidelines for the conduct of disciplinary proceedings.¹⁶⁸ There are no express terms in the HP and HP+ Contracts, nor in the HP Manuals, that impose an obligation on the

¹⁶⁵ 2/10/25 NE 65–67; 3/10/25 NE 79.

¹⁶⁶ List of Issues (v2) at [9].

¹⁶⁷ SOC at [29.1].

¹⁶⁸ SOC at [29.2].

employer to conduct an inquiry before determining whether to dismiss an employee. Mr Kanan also did not plead the existence of any implied term.

133 In closing submissions, Ms Avadiar relied on guidelines by the Ministry of Manpower (“MOM”) on the termination of employment due to employee misconduct, which, at the minimum, requires the employee to be informed of the alleged misconduct and be given an opportunity to present his case, and that an inquiry be conducted by an impartial person.¹⁶⁹ I do not find this to assist Mr Kanan’s case. First, Mr Kanan did not mention the guidelines in his pleadings or evidence; neither did he plead that the guidelines would have imported an implied obligation in his employment contracts to conduct a due inquiry. Such an implied obligation must be pleaded (*Höptner, Georg Alexander v Three Fins Pte Ltd* [2025] SGHC 26 at [42]–[43]). Second, the MOM guidelines are merely *guidelines*. Ms Avadiar did not submit on how these guidelines apply to someone in Mr Kanan’s position, whether they had the force of law, and whether they could override the express term of the HP and HP+ Contracts allowing an “immediate dismissal without notice”.

134 Ms Avadiar further relies on the case of *Long Kim Wing v LTX-Credence Singapore Pte Ltd* [2017] SGHC 151 (“*Long Kim Wing*”) to support that Mr Kanan should have been given the opportunity to present his case.¹⁷⁰ I find that *Long Kim Wing* does not assist Mr Kanan, as the employment contract therein expressly provided that the company may dismiss the plaintiff (employee) “after due inquiry” (at [9]).

¹⁶⁹ CCS at [60].

¹⁷⁰ CCS at [61].

135 Accordingly, I find that the termination of Mr Kanan's employment with HP and HP+ was lawful, and that they were entitled to terminate his employment immediately without notice or salary in lieu of notice.

Remedies

136 I deal with the remedies claimed first by Mr Kanan, before turning to the remedies in the Counterclaim.

Mr Kanan's claims

137 Mr Kanan claims the following amounts as damages for: (a) the wrongful termination of his employment; and (b) HP's failure to pay the GIB due to him under the HP Contract ("Damages Table"):¹⁷¹

Item	Description	Amount
1	3 months' salary in lieu of notice in respect of the HP Contract	\$18,000
2	3 months' salary in lieu of notice in respect of the HP+ Contract	\$18,000
3	3 months' salary in lieu of notice in respect of his employment contract with HPD	\$9,000
4	Salary due from HP until 11 December 2023	\$2,000
5	Salary due from HP+ until 11 December 2023	\$2,000
6	Salary due from HPD until 11 December 2023	\$1,000

¹⁷¹ SOC at [30]; C's AEIC at [120].

7	Balance of annual leave entitlement due from HP	\$3,428.52
8	Balance of annual leave entitlement due from HP+	\$3,428.52
9	Balance of annual leave entitlement due from HPD	\$1,714.26
10	Balance GIB earned from 2018 to 2022	\$450,600.18

138 I dismiss Mr Kanan's claims for items 1, 2, 3, 7, 8 and 9 in the Damages Table. I have found that HP and HP+ were entitled to dismiss his employment without notice or payment in lieu of notice. Notably, the HP+ Contract stipulates that either party may terminate that agreement by giving one month's (and not three months') notice. Hence, even if Mr Kanan's claim succeeded, he would not have been able to claim three months' salary in lieu of notice (in relation to his employment with HP+). This is conceded by Ms Avadiar.¹⁷² I have also found that Mr Kanan did not have a separate employment contract with HPD.¹⁷³ Hence, his claim in item 6 of the Damages Table is also dismissed.

139 As for items 4 and 5, Mr Kanan is entitled to his salary at HP and HP+ up until his termination *via* the 11/12/23 Termination Email. The quantum of damages depends on the effect of the 7/12/23 Demotion Letter, *ie*, whether HP and HP+ could unilaterally modify Mr Kanan's terms of employment and reduce his salary,¹⁷⁴ or whether he had accepted the terms of that letter.

¹⁷² 1/12/25 NE 4.

¹⁷³ 3/10/25 NE 60.

¹⁷⁴ DCS at [103].

Preliminarily, it should be noted that Mr Kanan does not dispute that the 7/12/23 Demotion Letter pertained to his employment at *both* HP and HP+.¹⁷⁵

140 For HP and HP+ to unilaterally modify the HP and HP+ Contracts, there must be a specific provision which permits such modification (*Fairview Developments Pte Ltd v Ong & Ong Pte Ltd* [2014] 2 SLR 318 at [75]). As observed in *B2C2 Ltd v Quoine Pte Ltd* [2019] 4 SLR 17 at [163], the right to unilaterally amend the terms of a contract is an unusual power, and there must be “clear language to reserve this sort of power”. HP and HP+ rely on the following clause in the HP and HP+ Contracts respectively (as italicised below, the “Clause”), to support the unilateral modification of Mr Kanan’s employment terms:¹⁷⁶

You will agree to work within the Company’s Policies and Procedures and understand that failure to comply will render you liable to face disciplinary action, which will include immediate dismissal without notice. *The Company reserves the right to modify the above terms and conditions. In such event, you will be informed in advance of the changes and the dates such changes will become effective.*

141 I find that for HP/HP+ to reserve a power to unilaterally vary a fundamental term such as an employee’s salary (especially to his detriment), such power must be clearly spelt out in the contract. In *Brader Daniel John v Commerzbank AG* [2014] 2 SLR 81 (at [26]–[27]), the court considered that a unilateral variation clause in the employee handbook was “unlikely to extend to such weighty matters as remuneration”, having regard to the fact that it vested great discretion in the employer, and that “variations pursuant to [the] clause could be to the detriment as much as they could be to the benefit of employees”.

¹⁷⁵ SOC at [23].

¹⁷⁶ 2AB 43, 54.

142 I do not find the language of the Clause, read in context of the HP and HP+ Contracts, to be sufficiently clear to permit a unilateral variation of *each and every term of employment* in the contracts. The Clause is placed under the sub-heading “Policies & Procedures” (a section which does not relate to Mr Kanan’s title/position and salary) and is preceded by the sentence which stipulates that Mr Kanan is to work within such policies and procedures. It is unclear if the “terms and conditions” that HP/HP+ are permitted to modify unilaterally pertained to matters *other* than those under that sub-heading.

143 Having found that HP and HP+ could not unilaterally vary Mr Kanan’s position and salary, I also accept that Mr Kanan’s signing of the 7/12/23 Demotion Letter was nothing more than a mere acknowledgement that he had read the letter.¹⁷⁷ That letter did not indicate that Mr Kanan was deemed to have accepted its terms by signing on the letter. Mr Kanan consistently maintained that he signed the letter merely to acknowledge receipt, and not to accept its terms.¹⁷⁸ The circumstances surrounding how he was handed the letter supports this. He was handed the 7/12/23 Demotion Letter on 8 December 2023 at a meeting (attended by Mr Vejaiyan) without any advance warning that he would be demoted, and asked to sign it. After receiving a copy of the letter by email, he wrote the 10/12/23 Email to register his objections to his demotion and put on record that he had signed the letter to state that he had read it but not that he agreed to its contents; he also requested for a new “letter of offer”. Ms Kanni’s email in reply on 11 December 2023 recognised his “signed acknowledgement” and “refusal to accept the demotion” but did not claim that Mr Kanan’s signature amounted to an acceptance of the 7/12/23 Demotion Letter.¹⁷⁹

¹⁷⁷ C’s AEIC at [110]; 3/10/25 NE 57.

¹⁷⁸ CCS at [115].

¹⁷⁹ C’s AEIC at [111]–[113]; 3AB 510, 521–522.

144 As such, I find that Mr Kanan is entitled to claim the unpaid salary, pro-rated (based on his monthly salary of \$6,000 each at HP and HP+) up until the 11/12/23 Termination Email. Mr Kanan's claim for items 4 and 5 of the Damages Table of \$2,000 each pertaining to HP and HP+ is thus allowed.

145 Finally, in relation to item 10 of the Damages Table, Mr Vejaiyan accepts that until the termination of Mr Kanan's employment, the GIB that was *already agreed* to be paid to Mr Kanan (up to FY2022) was the aggregate of \$240,000, of which I found \$183,510 remained unpaid (see D4's Table and [110] above). I disagree that HP could forfeit that sum because of Mr Kanan's misconduct. HP argues that the HP Contract confers upon HP the discretion to decide whether to pay Mr Kanan a GIB. I find no such term in the HP Contract; on the contrary, para 7 of the HP Contract provides that Mr Kanan's GIB is computed based on a formula. Even if there was such a discretion, once Mr Vejaiyan/HP had agreed to Mr Kanan's entitlement of GIB for an FY, the sum agreed would be payable,¹⁸⁰ and there is no basis for HP to forfeit that GIB in the absence of a clause in the HP Contract providing for such power.

146 Hence, I allow Mr Kanan's claim for GIB limited to \$183,510.

147 I make a brief point that it is immaterial whether the 7/12/23 Demotion Letter amounted to a constructive dismissal of Mr Kanan in purported repudiatory breach of his employment contracts, as there is no evidence that Mr Kanan accepted the repudiation.

¹⁸⁰ 3/10/25 NE 33.

The Counterclaims

148 I have found that Mr Kanan converted and misappropriated the payments/funds pertaining to Categories 1, 3 and 4. As such, the respective Counterclaimants are entitled to the sums as set out in their pleaded Counterclaim (as amended), save that the amount awarded to HP Telelink should be reduced by \$26,000 (as it has failed to prove that Mr Kanan had taken this Category 2 payment). In court, Ms Avadiar accepted that, if the Counterclaimants succeed, the quantum of each of their Counterclaims as pleaded in their amended Counterclaim, and which I have set out below at [152] (save for the aforementioned deduction of \$26,000), is accurate.¹⁸¹

Conclusion

149 In conclusion, I make the following orders.

150 Mr Kanan's claim for wrongful termination of his employment is dismissed. However, he is entitled to his unpaid salary with HP and HP+ for December 2023, up until his employment was terminated. HP and HP+ are to each pay Mr Kanan \$2,000.

151 I allow Mr Kanan's claim against HP for unpaid GIB of \$183,510.

152 I allow the Counterclaims against Mr Kanan as follows:

- (a) the sum of \$44,858.21 to be paid to HP+;
- (b) the sum of \$87,979 to be paid to HPD;

¹⁸¹ 1/12/25 NE 35–36 (referring to the Defence and Counterclaim at [3b] of the Counterclaim).

- (c) the sum of \$54,410.29 to be paid to HP Organics;
- (d) the sum of \$67,581.45 to be paid to Herbal Pharm Supplement LLP;
- (e) the sum of \$100,499.35 to be paid to HP Telelink;
- (f) the sum of \$9,428.26 to be paid to Herbal Pharms+ LLP;
- (g) the sum of \$6,121 to be paid to Mr Gunasagran s/o Karupaiyah Ponnusamy (trading as Herbal Products); and
- (h) the sum of \$105,492 to be paid to Mr Vejaiyan.

153 I will hear parties on costs.

Audrey Lim
Judge of the High Court

Christopher Anand s/o Daniel, Ganga d/o Avadiar and Saadhvika Jayanth (Advocatus Law LLP) for the claimant and the defendant in the counterclaim;
Gopal Perumal (Gopal Perumal & Co) for the defendants and the claimants in the counterclaim.
