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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**% *Date of decision: 16th January, 2026*+ **RFA 49/2026, CM APPL. 3099-3100/2026****M/S PICCADILY HOTELS PRIVATE LIMITED**

Through its Authorised Representative

Mr. Deepanshu Bansal

Having its registered office at

District Centre Janakpuri,

Janakpuri, New Delhi – 110058.

.....Appellant

Through: Counsel for Appellant (appearance
not given)

versus

ION AQUA MEMBRANES PVT LTD.

Having its Registered Office at

WZ-250-C, Near MTNL Exchange,

Inderpuri, New Delhi – 110012

.....Respondent

Through: None

CORAM:**HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA****J U D G M E N T (oral)****RFA 49/2026**

1. Appeal under Section 96 read with Section 151 of the Code of Civil Procedure, 1908 has been filed on behalf of the Appellant to challenge the Judgment and decree dated 20.09.2025 whereby the *Leave to Defend* filed under Order XXXVII Rule 3(5) CPC *of the Appellant was dismissed*, in a



Summary Suit under Order 37 CPC and the Suit of the Plaintiff/Respondent has been *decreed for Rs.3,40,328/- along with the interest @ 9% p.a.*

2. ***Briefly stated***, the Respondent / Plaintiff had filed a Suit under Order XXXVII CPC for recovery of Rs.4,58,408/- along with *pendente lite* and future interest, from M/s Piccadily Hotels Pvt. Ltd. / Appellant. The Respondent was running the business of testing facilities of water, Water Testing Kits, Water Treatment Chemicals, Electronic Dosing System, RO Membranes, etc.

3. The Appellant, a Company dealing in the hotel business, placed a Purchase Order *vide* letter dated 24.10.2012 bearing reference No.PHPL/Gurgaon/Membranes/RO/2012-13/01 to the Respondent, for the supply, installation of Reverse Osmosis System ('RO') at Piccadily Hotel "Hyatt Regency" Sector-83, Gurgaon Manesar Urban Complex, NH-8, Gurgaon, Haryana.

4. The work was duly executed. The ***case of the Respondent*** is that it had supplied and completed the Order, in acknowledgement of which, Respondent issued a Handing Over Letter dated 25.02.2013 to Mr. Sarabjit Singh, FF & E Manager, Hyatt Regency Gurgaon, New Delhi NCR. The following Bills / Invoices, were raised by the Respondent:

S. No.	Bill /Invoice No.	Date	Amount
1.	408	14.11.2012	Rs.3,54,375/- (inclusive of 12.5% Sales Tax)
2.	416	23.11.2012	Rs.1,96,875/-
3.	449	08.01.2013	Rs.21,938/-
4.	446	29.01.2013	Rs.12,140/-
		Total	Rs.5,85,328/-



5. The Appellant was liable to pay Rs.5,85,328/-, out of which he paid an amount of Rs.2,45,000/-, which was adjusted against the running Account between the Appellant and the Respondent, leaving an amount of Rs.3,40,328/- as still outstanding, which the Appellant was liable to pay.

6. The Respondent made a demand of the balance amount of Rs.3,40,328/-, however the Appellant failed to pay. He consequently, issued the Letter of Demand dated 25.11.2014, to which no response was ever received from the Appellant. Despite several demands and requests, the Appellant failed to respond and was not forthcoming. The Respondent/Plaintiff filed a Suit under Order XXXVII C.P.C. for recovery of Rs.4,58,408/- (Rs.3,40,328/- towards the principal amount and interest of Rs.1,18,080/-, i.e. @ 12% p.a. from 01.01.2013 till December 2015), and interest on the principal amount till realisation.

7. The Summons for judgment under Order XXXVII Rule 3(4) CPC, was received by the Appellant on 28.11.2018. Thereafter, an Application under Order XXXVII Rule 3(5) CPC was filed for the grant of *leave to defend*, within the prescribed period of time.

8. The **learned District Judge in the Impugned Judgment dated 20.09.2025**, held that the defence being sought by the Appellant/ Defendant was nothing but moonshine, and dismissed the Application seeking Leave to Defend, decreeing the Principal amount of Rs.3,40,328/- along with interest @ 9 % p.a.

9. The ***grounds of challenge*** are that the Invoices were neither acknowledged nor accepted by the Appellant / Defendant. No contemporaneous record has been placed on record by the Respondent to establish that the Appellant even consented to such excess billing or that the



Purchase order was revised / altered beyond 15.11.2012. These inflated billing unsupported by acknowledgment, raise serious triable issues which could not have been summarily brushed aside by the learned District Judge.

10. The Appellant since the inception of the Suit, had denied the authenticity of *Handover Letter* dated 25.02.2013 and claimed it to be a completely false and fabricated documents, since it did not have any seal, stamp, or authorized signature and was not prepared on Letter Head of the Company, which itself depict that the same was manufactured and fabricated. However, this triable issued was also not considered by the learned District Judge.

11. There is not an iota of evidence that Mr. Sarabjit Singh was ever authorized by the Appellant to accept delivery or issue binding acknowledgments on behalf of the Appellant Company, as it is commercial practice that such acknowledgment would be made by an authorized signatory with Company seal as a mandate. Mere silence on the part of the Appellant in not responding to the Demand Letter dated 19.11.2014, would not in itself result in the implied acceptance of contents stated therein.

12. Further, this alleged *Handover Letter* purported to confirm completion of supplies and installations to the satisfaction of the Appellant, which directly contradicts that the Invoices raised were well beyond the agreed Purchase Order amount of Rs.4,90,000/- and is also against the time period for the completing the supply and installation of the RO system i.e. 15.11.2012.

13. The relevant aspect pertaining to the Delivery Report has not been considered. Respondent has failed to place on record any document to show that the Letter was duly served upon the Appellant and therefore, no



presumption of deemed service can be drawn against the Appellant.

14. The learned Trial Court did not consider the statement made by learned counsel for the Respondent on 08.10.2016 that the Suit had been inadvertently filed under order XXXVII C.P.C., as it is a simple Recovery Suit.

15. In various Judgments, the Hon'ble Apex Court has reiterated that where the Defendant raises substantial / triable issue(s), the Plaintiff will not be entitled to a summary judgement and the Defendant should be given liberty to defend the Suit either unconditional or conditionally, as the case may be. However, learned District Judge has failed to appreciate various triable issues and had erroneously concluded that no grounds were raised for defending the Suit, in the leave to defend Application.

16. It has been further overlooked that Section 34 C.P.C. puts a restriction upon the Court to grant / allow maximum interest @ 6% and not beyond. Learned Trial Court has erroneously granted interest @ 9% by presuming the Suit to be of commercial nature.

17. There is sufficient material for setting aside the impugned Order and granting permission to the Applicant to defend the suit.

18. *The Plaintiff / Respondent*, had contested the *Leave to defend Application* by asserting that the defences raised by the Appellant / Defendant were frivolous and moonshine. The four Invoices, relied upon by the Plaintiff, in support of the Work Order. In so far as the Handing Over Letter dated 25.02.2013 was concerned, it was specifically pleaded in the plaint that it was handed over to Mr. Sarabjit Singh, who was a Manager with the Defendant / Appellant, which was accepted by him.

19. Significantly, in the Leave to Defend Application, the Defendant had



remained completely silent with regard to Mr. Sarabjit Singh. It has not been denied that Mr. Sarabjit Singh was a representative and Manager of the Defendant Company. There is also no denial of his signatures in acceptance, on this Letter. The averments made in the leave to defend Application that the letter did not bear the signatures and stamp of the representative of the defendant, are vague and in no way controverts that it has the signatures of Mr. Sarabjit Singh, its Manager.

20. The Learned District Judge had observed that Defendant has vaguely averred in the Leave to Defend Application that the Plaintiff / Respondent had failed to supply the material as per Purchase Order dated 24.10.2012. However, no details whatsoever have been given, as to how the supply of material was not complete. No document of correspondence were placed on record to show that the Defendant has ever claimed that there was incomplete supply of the material.

21. It is further submitted that the allegation by the defendant in regard to full and final settlement was also vague as no details or particulars of the same have been given. No document has been placed on record to show that there was any full and final settlement between the parties.

22. Plaintiff had categorically pleaded in the plaint that he had issued a Letter of Demand dated 25.11.2014, to which no response was given by the Defendant / Appellant. The Letter of Demand has been filed along with the plaint and the original Speed Post Receipts to show its dispatch on 25.11.2014. On account of this date of dispatch, Legal Notice in the plaint has been referred to as dated 25.11.2014. Defendant was informed about the Handing over of the work, through Handing Over Letter dated 25.11.2014 to



Mr. Sarabjit Singh, Manager and that balance of Rs.3,40,328/- was due.

23. Pertinently, in the entire Leave to Defend Application, the Defendant / Appellant is completely silent on the Letter of Demand and has not denied not having received it. No response to the Letter of Demand had been given by the Appellant.

24. The defence raised in the leave to defend Application were moonshine and have been rightly rejected by the learned District Judge, in the impugned Order.

25. Reliance is placed on IDBI Trusteeship Services Ltd. vs. Hubtown Ltd., (2016) 11 SCR 660, to emphasize that if no substantial defence or a genuine triable issue is raised by the Defendant and the Court finds such defence to be frivolous or vexatious, then the Leave to Defend Application shall be refused and the Plaintiff is entitled to the Judgment forthwith.

Submissions Heard and Record Perused.

26. Appellant in its Leave to Defend Application has raised the following triable issues:

- (i) that there was ***no cause of action*** in favour of the Plaintiff as the Plaintiff had failed to supply and install completely as per Purchase Order dated 24.12.2012;
- (ii) that the Suit of the Plaintiff did not come within the ambit of Order XXXVII C.P.C.;
- (iii) that the Suit is ***barred by limitation***, as under Purchase Order dated 24.10.2012, the Plaintiff / Respondent Company was under the obligation to supply and install Reverse Osmosis (RO) system on or before 25.11.2012, while Suit has been filed on 21.11.2015, which is beyond the period of three years and is therefore, barred



by limitation;

- (iv) that the Court had no ***territorial jurisdiction*** as the entire cause of action arose beyond the territorial jurisdiction of the Court;
- (v) that *the material has not been supplied by the Plaintiff*, in terms of the Purchase Order dated 24.10.2012 and has raised false and fabricated Invoices that had not been acknowledged by the Defendant;;
- (vi) that no *Handing Over Letter dated 25.02.2013* was submitted to the Appellant Company and that it does not bear the signatures and stamp of the Defendant and the Letter was not acknowledged by the Defendant Company; and
- (vii) that the Defendant Company was fully satisfied with the material supplied by the Plaintiff Company and there was final settlement between the parties.

27. Admittedly, the parties entered into a contract *vide* Purchase Order dated 24.10.2012, whereby the Plaintiff / Respondent Company had to supply and install Reverse Osmosis (RO) system at Appellant's hotel i.e. "Hyatt Regency" (a unit of Piccadily Hotels Pvt. Ltd.) situated at Gurgaon, Haryana. According to the Plaintiff, despite completing the Work, part payment remained due. Therefore, Respondent had filed a Suit for Recovery of Rs.3,40,328/- along with interest @ 12%.

28. ***First contention*** raised by the Appellant/Defendant is that Invoices relied upon by the Respondent, do not correspond to the Purchase Order dated 24.10.2012. The Purchase Order was placed for supply and installation of Reverse Osmosis (RO) system having capacity of 2000 litre per hour Hydropneumatics System with total value of Rs.4,90,000/-.



29. Pertinently, the unit price of Reverse Osmosis (RO) System was Rs.3,15,000/-, which matches with the corresponding Invoice. Likewise, Hydronaumatic System, that was mentioned in the Purchase Order, correspond to the second Invoice, which is in the sum of Rs.1,75,000/-. The goods have been supplied by Respondent to the Appellant through these Invoices and in terms of the Purchase Order.

30. Further, there are two Invoices dated 08.01.2013 for supply of Ultra Valet System with capacity of 2000 liter per hour with stand of Rs.19,500/-, and an Invoice dated 29.01.2013 for supply of 08 pieces of UV System, RO Drain and Tank Drain, etc. for Rs.6,800/-. Two subsequent Invoices clearly reflect that these goods too were supplied, which correspond completely with the total amount claimed for goods supplied; the contention of the Appellant that the Invoices were not in accordance with the Purchase Order, is palpably incorrect.

31. The Appellant has admitted Rs.2,45,000/- had been paid on account, which had admittedly been adjusted in the outstanding payment of Rs.5,85,328/- leaving the balance of Rs.3,40,328/-. The Appellant, therefore, is not able to raise any triable issue, in regard to Invoices and delivery.

32. **Next controversy** surrounds the *Handing Over Letter dated 25.02.2013*, which certified that R.O. Plant was commission tested, put in operation and handed over to the Respondent. Pertinently, this Letter has the signature of Mr. Sarabjit Singh, Manager, dated 25.02.2013 in acceptance. Much has been contended by the Appellant that there is neither a seal nor the stamp of the Appellant Company, to corroborate the acceptance by Mr. Sarabjit Singh.

33. It has been rightly observed by the learned Trial Court that the



emphasis has been led on the stamp and seal of the Company, but there is no denial whatsoever, that Mr. Sarabjit Singh was not the Manager of the Company at that time. Letter bears his signatures and the challenge to *Handing Over Letter* dated 25.02.2013, has been rightly rejected.

34. *Next significant aspect* is the *Letter Of Demand dated 19.11.2014* that was duly issued by the Respondent Company to the Appellant Company to make payment of balance amount of Rs.3,40,328/-. The original Receipt dated 25.11.2014, *vide* which the said Letter had been put in the post, had been annexed on the record.

35. Leave to defend Application is completely silent about the demand Notice. Learned District Judge has rightly observed that in the Leave to DFefend Application, there is no denial that the Letter of Demand was not received; in fact, it emerges from the record that the Appellant/Defendant did not respond this Letter of Demand wherein all the facts as detailed in the Complaint about the supply of goods *vide* Invoices and corresponding bills, had been specifically stated.

36. Learned Trial Court has rightly drawn the inference that the inaction on the part of the Appellant, reflected it had nothing to controvert about the facts mentioned therein. There is no cogent explanation or document filed by the Appellant in support of its contentions.

37. Significantly, a defence was taken by the Appellant that *the account had been settled*. But pertinently, no date of settlement of accounts has been mentioned and there is no document to show the reconciliation of the accounts. It is further pertinent to note that while there is a claim of having paid Rs.2,45,000/- to the Respondent, there is not a whisper about how the balance amount was paid by the Appellant.



38. It is also significant to observe that while no date of settlement or payment has been given, this Suit has been filed in November, 2015. There is not a single correspondence in between, undertaken by the Appellant to show that the amounts had been fully settled.

39. It has further been contended that this was not commercial Suit maintainable under Order XXXVII C.P.C. However, this argument also does not hold any merit, as the Suit is based on Purchase Order and the Invoices, which comes within the scope of Order XXXVII C.P.C.

40. With respect to the objection taken in regard to the *territorial jurisdiction*, it is observed that the Registered Office of the Defendant Company is at Piccadilly House, 275, Capt. Gaur Marg, Srinivas Puri, New Delhi – 110065. The Defendant was therefore, located in Delhi and the Agreement/Contract took place in Delhi. The goods may have been supplied and installed by the Plaintiff at the given address of “Hyatt Regency” Gurgaon, Haryana, but the Defendant had its registered Office in Delhi and the cause of action had arisen in Delhi. Hence, the ground of territorial jurisdiction cannot be accepted in the present circumstance.

41. Furthermore, with respect to the aspect of **limitation**, it is pertinent to note that the Summary Suit was filed on 21.11.2015, while the Purchase Order was dated 24.10.2012. Two Invoices were issued in November, 2012 and the other two Invoices were issued till 29.01.2013. Furthermore, the Handing Over Letter was issued on 25.02.2013, and the Demand Letter was issued on 25.11.2014. In these circumstances, the cause of action arose in favour of the Plaintiff from the date of the issuance of the Invoices and then again on the date of issuance of the Handing Over Letter, and finally on the date of the issuance of Demand Letter to the Defendant. The cause of action



to file the Suit arose after the completion of Work, which was acknowledged vide Handing Over Letter dated 25.02.2013. Hence, the Summary Suit has been filed on 21.11.2015, is within the period of limitation.

42. *In the end*, an issue has been raised about the *interest rate*. However, learned District Judge has only awarded the principal amount of Rs.3,40,328/- and the interest @ 9 % per annum has been granted on the due amount in exercise of its discretion under Section 34 C.P.C.

43. There is not merit in the present Appeal, which is hereby **dismissed**. Pending Applications, if any, also stands disposed of.

(NEENA BANSAL KRISHNA)
JUDGE

JANUARY 16, 2026
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