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

% Judgment Reserved on: *29.10.2026*
Judgment Pronounced on: *17.11.2026*
Judgment Uploaded on: *17.11.2026*

CNR No. DLHC010504612026

\+ CRL.REV. P. (NI) 356/2026 & CRL.M.(BAIL) 1997/2026

SATISH SAXSENA & ANR. .....Petitioners

Through: Mr. Sukhvinder Kumar, Adv.

versus

STATE OF NCT OF DELHI & ANR. .....Respondents

Through: Mr. Sanjeev Sabharwal, APP for State
Mr. Abhishek Yadav, Adv. for R-2 (Through VC)

%

CORAM:
HON'BLE MS. JUSTICE MANMEET PRITAM SINGH ARORA

J U D G M E N T

MANMEET PRITAM SINGH ARORA, J:

1. The present petition has been filed under Section 528 of the Bharatiya Nagarik Suraksha Sanhita, 2023[1], assailing the judgment dated 07.09.2026 ['impugned judgment'] passed by ASJ-03, South-West District, Dwarka Courts, New Delhi ['Appellate Court'] in CRL.A. No. 716/2025, whereby the Appellate Court dismissed the appeal and upheld the judgment of

[1] Corresponding to Section 438 of the Code of Criminal Procedure, 1973 ['Cr.P.C']

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conviction dated 17.09.2025 [‘judgment of conviction’] and the order on sentence dated 26.09.2025 [‘order on sentence’] passed by the Judicial Magistrate First Class (NI Act) Digital Court-02 (South-West), Dwarka Court, New Delhi [‘Trial Court’].

2. The brief facts discernible from the impugned judgment[s] of the Appellate Court and Trial Court are as follows: -

2.1. The Petitioner, i.e., the accused, was a tenant of Respondent No. 2, i.e., the complainant, since 2018.

2.2. In January 2022, the Petitioner had initially approached Respondent No. 2 for a loan. Pursuant to which, Respondent No. 2 advanced a sum of Rs. 3,00,000/- to the Petitioner on 28.01.2022. It is stated that out of the said amount, Rs. 1,00,000/- was transferred by Respondent No. 2 himself, Rs. 50,000/- was transferred by his son Mr. Ankit and the remaining amount of Rs. 1,50,000/- by the wife[2] of Mr. Neeraj Maan, who is a friend of Respondent No. 2’s son. The entire amount was transferred through the bank into the account of the Petitioner herein.

2.3. Again, in February 2022, the Petitioner approached Respondent No. 2 for an additional loan of Rs. 4,00,000/-, which was transferred through the bank by Respondent No. 2 on 08.02.2022.

2.4. It is stated that in the first week of January 2023, the Petitioner issued two [2] cheques for repayment of the aforesaid amount, with the following details: -

[2] Ms. Shalu Thakaran

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S. No.	Cheque No.	Amount	Date	Drawn Upon
1.	471860	Rs. 4,00,000	04.02.2023	IDBI Bank, Delhi -06 Account No: 1735102000013475
2.	471861	Rs. 3,00,000		

2.5. It is stated that when Respondent No. 2 presented the aforesaid cheques to his bank for encashment, the same were returned unpaid and dishonoured for the reason 'Funds Insufficient' *vide* return memos dated 06.02.2023 and 10.03.2023.

2.6. It is stated that Respondent No. 2 thereafter issued a legal notice dated 09.04.2023, calling upon the Petitioner to repay the outstanding amounts. However, upon the Petitioner's failure to make the payment within fifteen [15] days of receipt of the said notice, Respondent No. 2 instituted Ct. Case No. 17033/2023 under Section 138 of the Negotiable Instruments Act, 1881 ['NI Act']. Respondent No. 2 did not even issue a reply to the said legal notice.

2.7. Respondent No. 2, Mr. Ankit and Mr. Neeraj Maan appeared as complainant's witnesses to prove the aforesaid bank transfers. The Petitioner appeared as the sole witness to rebut the presumption that the cheques were issued for discharge of a debt.

2.8. At the stage of notice under Section 251 Cr.P.C., the substance of accusation was read over and explained to the Petitioner, to which he pleaded not guilty and claimed trial. In his defence, however, he admitted

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having issued the two [2] cheques in question in favour of Respondent No. 2. It was stated that he had only mentioned the amount and affixed his signatures on the cheques; however, he had not filled in the date on the cheques in question. It was stated that the cheques were issued for payment of lease amount.

2.9. The Petitioner in his evidence raised two defences, i.e., (i) the two [2] cheques were given as a part of a security arrangement towards rental under the tenancy, and Respondent No. 2 had misused the said cheques. The Petitioner denied issuing the cheques in discharge of a loan liability; (ii) Alternatively, it was alleged that the Petitioner had supplied sanitary and hardware goods worth more than Rs. 7,00,000/- to Respondent No. 2, Mr. Ankit and Mr. Neeraj Maan, without tax-paid invoices.

3. After evaluating the evidence led by the parties, hearing the final arguments of the parties, the Trial Court convicted the Petitioner of the offence punishable under Section 138 of the NI Act. The operative part of the judgment where the Trial Court recorded the defence evidence and its observations on the evaluation of the said defence, leading to the conviction, is as under: -

> "**8. To rebut the presumption the accused Satish Kumar Saxena examined himself as DW1 in support of his case.**
>
> **8.1 Defence Evidence of Accused (DW-1):**
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> During his examination in chief the accused DW-1, has tendered a copy of a purported lease agreement dated 01.09.2022 (Mark DW1/A) to support his plea that the cheques in question were not issued in discharge of any loan liability but rather as part of a tenancy/security arrangement. He deposed that he was a tenant of the

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Complainant, and being unable to pay rent on time, the complainant allegedly offered an arrangement whereby the accused was to deposit Rs 7,00,000/- in advance, refundable at the end of tenancy. He claims to have issued the cheques in dispute towards this arrangement.

In his deposition, DW-1 further stated that he had supplied sanitary and hardware goods worth more than Rs.7 lakhs to the complainant and that the transactions were on kachchi parchi basis without GST records. He relied on the said lease agreement to suggest that the complainant has misused the cheques.

8.1.1 Evaluation of Mark DW1/A - Lease Agreement and Analysis of Evidence of DW1

1. Lack of Admissibility and Proof — The document produced is only a photocopy and has been marked as "subject to proof." The document is neither notarized nor attested by any witness, and bears no corroborative official seal.

2. Contradictions — The lease deed mentions an advance of Rs.7,00,000/- refundable after 5 years. However, the accused himself admitted in cross-examination that he vacated the premises in 2023 after 2-3 months of paying rent lump sum, thereby contradicting the terms of a 5-year lease. The document purports to record advance rent/security, the accused simultaneously claimed that the amount of Rs.7 lakhs was against sanitary goods supplied. His versions are self-contradictory.

3. Failure to Substantiate — No bills, GST records, transport receipts, or even kachchi parchi have been produced by the accused to substantiate the alleged supply of goods worth more than Rs. 7 lakhs.

4. Presumption under NI Act Not Rebutted — The statutory presumption under Sections 118 and 139 of the NI Act is that the cheques were issued in discharge of a legally enforceable debt or liability.

Mere production of a disputed lease deed, without proof, does not dislodge this presumption.
The accused has failed to bring on record any independent evidence to show that the cheques were issued only as security.

Therefore. the testimony of DW-1 is inconsistent,

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uncorroborated, and appears to be an afterthought to escape liability. The alleged lease deed (Mark DW1/A) does not inspire confidence in absence of original, attesting witnesses, or corroborative material. The accused's defence that the cheques were misused is not proved. On the contrary, his admission of issuance and signatures on the cheques strengthens the complainant's case. Furthermore, the defence is inconsistent: at one place the accused says cheques were for tenancy, at another place he says they were for goods supplied. This contradictory stand undermines his credibility.

Accordingly, the Court finds that the defence has failed to rebut the statutory presumption and the complainant's case stands proved beyond reasonable doubt.

9. Findings

From the above discussion, this Court is satisfied that the complainant has proved advancement of loan of Rs.7,00,000/- through cogent evidence. The accused has admitted issuance and signatures on the cheques. The cheques were dishonoured for insufficiency of funds and the statutory notice was served upon the accused but the payment was not made by him. The defence raised is unsubstantiated and fails to rebut the presumption u/s 139 NI Act.

Accordingly, all the ingredients of Section 138 NI Act stand proved beyond reasonable doubt against the accused.

10. Conviction

In view of the above discussion, the accused **Satish Kumar Saxena proprietor of SS Traders** is held guilty and is hereby convicted for the offence under Section 138 of the Negotiable Instruments Act, 1881."

[Emphasis supplied]

3.1. *Vide* order on sentence, the Trial Court sentenced the Petitioner to undergo simple imprisonment for a period of six [6] months and pay a fine of Rs. 10,00,000/- and, in default of payment of the fine, undergo simple imprisonment for a period of one [1] month.

4. The Petitioner, aggrieved by the aforesaid judgment of conviction and

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order on sentence passed by the Trial Court, preferred an appeal. However, the Appellate Court, *vide* impugned judgment, dismissed the appeal and upheld the Trial Court's judgment of conviction and order on sentence. The Appellate Court examined the factual defences in detail and found the same to be unsubstantiated and without any merit. The detailed reasons for decision recorded by the Appellate Court are as under: -

> "**25**. In the present case, accused has admitted his signatures on the cheques in question which are Ex.CW1/A and Ex.CW1/B. He also admitted that the amount in cheques was filled up by him. Hence, a presumption that the cheques were issued for consideration and in discharge of a legal debt or liability, arises in favour of complainant and against the accused. The burden to displace these presumptions was upon the accused. The *foremost question that therefore arises for consideration is if the accused has been able to displace the presumptions raised against him.*
>
> **26.** The defence of the accused is twofold: **(a)** that the payment made to him through bank account was towards purchase of sanitary items; and **(b)** that the cheques in question were given towards lease amount as security which were not to be encashed.
>
> **27.** Regarding the ***first defence*** that the payment was towards purchase of the sanitary items, the accused was cross-examined by the complainant. The accused claimed that he was running the shop of sanitary items at Chawri Bazar till the year 2020. The payments received by the accused in his bank account from the complainant, his son and son's friend pertain to the year 2022. The accused did not explain how did he deliver the sanitary articles to the complainant, his son (CW2) and friend of his son (CW3) in the year 2022 when he had run the shop only till the year 2020. Further, there is no explanation of the fact as to how and why all three aforesaid persons had required sanitary items from the accused on the same day.
>
> **28.** The accused did not produce any bills of the sanitary items allegedly sold by him to the complainant, CW2 and CW3. The accused stated that the sale was made through *kaccha* bill, however, had failed to explain how sale through *kaccha* bill was possible when

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he had accepted payment through banking channels.

29. The accused further did not produce any document on record to prove delivery of the sanitary items to the complainant, CW2 and CW3. He stated that the items were delivered in Auto, however, no receipts in this regard were produced. No explanations came forth from the accused on these missing documents.

30. Regarding the ***second defence***, the accused relied upon a photocopy of a lease agreement, which is Mark DW1/A. Original of this agreement was not produced in the Court. The accused contended that the original was in the custody of the complainant due to which he could not produce the same, however, no notice for production of the original was given by the accused to the complainant in terms of Section 65 (a) of the Indian Evidence Act, 18727. The accused thus had failed to prove the necessary pre-requisite for leading secondary evidence as per Section 65 of the Indian Evidence Act, in which situation the photocopy of the lease agreement cannot be read in evidence. Objection raised in this regard by the complainant was valid. The Order dated 22.05.2025 reflects that the complainant was not present in the Court when the aforesaid lease agreement was brought in evidence, however, Ld. Counsel for the complainant was available and objection raised by him is to be treated as an objection raised by the complainant only. Merely because the Ld. Trial Court stated that the objection was raised by the complainant does not mean that it was raised by him in person. It could very well mean that it was raised through the Advocate. No biasness on the part of the Court, therefore, is reflected from the said statement.

31. The accused did not confront the complainant with Mark DW1/A during his cross-examination as CW1. No suggestion was given to the complainant in his cross-examination with respect to this document. The complainant produced two lease agreements during his cross-examination which were exhibited as Ex.CW1/N and Ex.CW1/O, however, no suggestions regarding falsehood of these two documents was given by the accused to the complainant. The accused himself admitted that the lease agreements between him and the complainant were executed properly and those were also stamped and notarized. In view of such of his own admission, the accused had failed to explain and show the reason why Mark DW1/A remained unstamped and unnotarized. This lack of explanation raises a doubt on the defence of the accused and creates a hole in his story.

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> **32.** The conduct of the accused in not lodging any complaint against the complainant after first presentment and dishonouring of the cheques in question also raises a doubt on his defence. The accused admitted in his cross-examination that he was aware about the first presentment of the cheques in question and their dishonour but he did not ask the complainant to return the cheques. Such a conduct of the accused in itself is sufficient to raise a doubt on his defence that the cheques were issued as security and not towards repayment of loan.
>
> **33.** The case of the complainant rests not only on the presumptions raised U/Section 118 and 139 of NI Act but also upon the fact that he had proved the account statements reflecting transfer of total sum of Rs.7,00,000/- in the bank account of the accused. Both CW2 and CW3 supported the case of the complainant and stated that the amount was transferred to the accused at the instance of the complainant, thereby suggesting that it was the complainant who was advancing loan to the accused. The complainant also disclosed his financial capacity in his cross- examination by stating that he was receiving monthly salary as well as pension from Army.
>
> ……
>
> **36.** Resultantly, the impugned judgment and impugned order are hereby upheld and the appeal is consequently dismissed."
>
> [Emphasis supplied]

5. Aggrieved by the impugned judgment passed by the Appellate Court, the Petitioner has filed the present petition.

6. In this revision petition, the Petitioner has raised pleas and grounds identical to those raised in the appeal, which may be summarised as follows:-

6.1. The Petitioner was a tenant of Respondent No. 2. On account of the Petitioner's inability to pay monthly rent, Respondent No. 2 gave an option to the Petitioner of depositing a sum of Rs. 7,00,000/- in total, in 'advance' as 'security amount' [which would be refunded to the Petitioner at the time

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of vacating the property]. It was proposed that upon deposit, the Petitioner need not pay any monthly rent to Respondent No. 2. It was proposed that the interest generated upon the said amount of Rs. 7,00,000/- would be the monthly rent. A lease agreement [Mark DW 1/A] was prepared, and the two [2] cheques in question were given by the Petitioner towards the said 'advance security payment' against the lease agreement.

6.2. In terms of the lease agreement, the Petitioner handed over the two [2] blank dated cheques of amounts Rs. 3,00,000/- and Rs. 4,00,000/- to Respondent No. 2 in advance. The Petitioner thus had no liability against the cheques in question.

6.3. The amount of Rs. 7,00,000/- paid by Respondent No. 2, Mr. Ankit and wife of Mr. Neeraj Maan on 28.01.2022 and 08.02.2022 was towards the payment for sanitary items delivered to Respondent No. 2, before the shutdown of the business run by the Petitioner at Chawri Bazaar.

6.4. The alleged loan amount of Rs. 7,00,000/- is substantial, and it is unlikely that such a huge amount would have been advanced by Respondent No. 2 to a tenant without executing any written agreement; however, no loan agreement was executed between the parties. The amount transferred in the year 2022 was a repayment due to the Petitioner towards the sanitary items.

6.5. Respondent No. 2 himself lacked the financial capacity to advance the entire sum of Rs. 7,00,000/- and had to seek financial assistance from other persons to arrange the said amount. Despite this, Respondent No. 2 proceeded to advance a further amount of Rs. 4,00,000/- to the Petitioner without any written agreement or security.

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7. This Court has heard the learned counsel for the Petitioner and perused the record.

8. Respondent No. 2 has proved that a sum of Rs. 7,00,000/- was transferred to the bank account of the Petitioner on 28.01.2022 and 08.02.2022. He has contended that the transfer was in furtherance of a friendly loan. He has contended that the two [2] cheques in question were issued by the Petitioner for repayment of the said loan. Upon the dishonour of the said two [2] cheques, Respondent No. 2 issued a legal notice on 09.04.2023, which the Petitioner refused to accept and failed to make any payment during the statutory period.

9. The Petitioner has contended that the transfer of Rs. 7,00,000/- on 28.01.2022 and 08.02.2022 received by him from Respondent No. 2, Mr. Ankit, wife of Mr. Neeraj Maan, was towards the cost of sanitary items delivered to the said persons. The Trial Court and the Appellate Court have recorded that this is a bald averment as no bills, GST records, transport receipts or any informal document evidencing delivery and receipt has been brought on record. In the absence of even a sliver of evidence, the Courts have returned a concurrent finding that this plea is without any basis. The Petitioner has been unable to show that the aforesaid findings of the Trial Court and the Appellate Court are erroneous or contrary to the record. Thus, this Court finds no merit in this defence agitated before this Court.

10. Therefore, the defence of the Petitioner that Respondent No. 2 transferred the amount of Rs. 7,00,000/- in January and February, 2022 towards payment of sanitary items is hereby rejected. This defence was

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neither raised by issuing a reply to the legal notice dated 09.04.2023 nor raised at the stage of notice under Section 251 Cr.P.C. and is therefore clearly an afterthought. The stand of Respondent No. 2 that the transfers made in January and February 2022 constitute the legally recoverable debt towards which the two [2] cheques were issued, therefore, stands unrebutted.

11. The second plea of the Petitioner is that the two [2] cheques were issued towards deposit of 'advance security amount' under the lease agreement dated 01.09.2022 marked DW 1/A. The Trial Court has recorded reasons at paragraph no. 8.1.1 of the judgment of conviction for not accepting the said plea. The Appellate Court has recorded its reasons for not accepting the said plea at paragraph nos. 31 and 32 of the impugned judgment.

12. The original of the said lease agreement [DW 1/A] was not produced. Its unstamped photocopy was produced by the Petitioner, when an objection was taken to its admissibility. The Petitioner was thus aware that Respondent No. 2 was disputing the veracity of the said document; however, the Petitioner did not confront Respondent No. 2 with this lease agreement when he was cross-examined as CW-1 nor issued any notice for production of the original. The findings of the Trial Court and Appellate Court that the Petitioner failed to prove this document is therefore unexceptionable.

Moreover, the fact that Respondent No. 2 separately produced lease agreements, i.e., Ex. CW 1/N and Ex. CW 1/O, which were also admitted by the Petitioner herein, and there was no suggestion given to Respondent No. 2 that there existed another alleged lease agreement [DW 1/A], are facts

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which were duly considered by the Appellate Court while opining that the Petitioner has been unable to prove that the two [2] cheques were issued as security cheques. This Court may add that the Petitioner elected not to issue any reply to the legal notice dated 09.04.2023, and this further shows that this plea is an afterthought.

13. The plea that Respondent No. 2 lacked the financial capacity to advance a loan of Rs. 7,00,000/- is also without merit, particularly when no such plea was raised before the Trial Court. In any event, the amount in question was admittedly transferred to the Petitioner through bank. The factum of such transfers, therefore, remains undisputed, and the plea regarding the financial capacity of Respondent No. 2 does not lend credence to the Petitioner's case.

14. This Court, therefore, finds no merit in this revision petition and the same is hereby dismissed. Pending applications stand disposed of.

15. As per the Petitioner, the Appellate Court had extended the time for surrender up to 22.10.2026. Pending the adjudication of this revision petition, the time for surrender was extended up to 17.11.2026. In view of this order dismissing the present revision petition, the Petitioner is directed to appear before the Trial Court on 20.11.2026 for payment of the compensation amount and execution of the order on sentence.

16. The Petitioner and Respondent No. 2 are directed to place this order before the Trial Court on 20.11.2026 for information and compliance.

17. The digitally signed copy of this order, duly uploaded on the official

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website of the Delhi High Court, www.delhihighcourt.nic.in, shall be treated as a certified copy of the order for the purpose of ensuring compliance. No physical copy of the order shall be insisted by any authority/entity or litigant.

MANMEET PRITAM SINGH ARORA, J

NOVEMBER 17, 2026/msh/aa

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