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

+ RFA 701/2025, CM APPL. 46787/2025

RAJKUMAR

.....Appellant

Through: Appearance not given.

versus

UPENDER KUMAR & ANR.

.....Respondents

Through: None.

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

ORDER

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16.01.2026

1. Appeal has been filed on behalf of the Appellant, Rajkumar against Judgment/Decree dated 29.04.2025, whereby the suit of the Plaintiff/Respondent No.1, Upender Kumar for Recovery of Rs.3,85,000/- along with interest @ 21% p.a. under Order XXXVII of the Code of Civil Procedure, 1908 (*hereinafter referred to as "C.P.C."*) has been decreed.
2. **Briefly stated**, Respondent No.1/Plaintiff filed Complaint under Section 138 N.I. Act, whereby Appellant/Defendant was found guilty *vide* Judgment dated 25.07.2023 and was convicted under Section 138 N.I. Act. The Plaintiff, who is a Doctor by profession, had entered into Settlement Deed dated 08.11.2023 in terms of Order dated 22.11.2023 passed by the learned Appellate Court. Four cheques, i.e. three cheques of Rs.1,00,000/- each and one cheque of Rs.85,000/-, were issued to the Plaintiff/Respondent.
3. Against this conviction, Appellant preferred an Appeal before the Court of learned ASJ, Karkardooma Courts, wherein the matter was amicably settled, whereby the Appellant agreed to pay Rs.3,85,000/- in full



and final settlement and the Appeal was disposed of. Settlement deed dated 08.11.2023 was duly executed between the parties. Thereafter, Appellant failed to honour the Settlement and aforesaid four cheques given by him were dishonoured on presentation.

4. The Plaintiff / Respondent thus, filed Complaint under Order XXXVII Rule 3(5) read with Section 151 C.P.C. for recovery of Rs.3,85,000/- along with the future and *pendente lite* interest @ 21% per annum.

5. Appellant / Defendant was duly served on 20.03.2025, but he failed to file Leave to Defend Application within stipulated time and filed the same only on 29.03.2025. Any Application for condoning the delay was also not filed.

6. Learned District Judge, despite the leave to defend being barred by limitation, considered the defence as detailed in the leave to defend Application. It was noted that four cheques totalling Rs.3,85,000/-, which had been issued pursuant to settlement in Appeal under Section 138 NI Act, got dishonoured. There was no cogent defence disclosed in the Leave to Defend Application, and the Application was dismissed and the Suit of the Plaintiff was decreed in the sum of Rs.3,85,000/- along with interest @ 9% per annum.

7. ***Learned counsel for the Appellant*** has essentially raised a **ground** that Respondent was not having any Licence under Punjab Registration of Money Lenders Act, 1938, and therefore, was not competent to give any money on loan to the Appellant. It is further claimed that screenshots taken from the Website of District Courts, reflects that he was a Money Lender and the alleged transaction was barred under Section 3 of the Punjab Registration of Money Lenders Act, 1938.



8. Pertinently, it has been rightly observed by the learned Trial Court that four cheques totalling to Rs.3,85,000/- were issued pursuant to Settlement dated 08.11.2023 in the Appeal against conviction under Section 138 N.I. Act. It was not in respect of the original loan and therefore, the ground taken by the Appellant was without any basis.

9. Learned Trial Court has also rightly noted that the Application for Leave to Defend does not disclose any substantial or triable issue for contesting the present Suit. Apart from being barred by limitation for having been filed beyond the statutory period, the defence raised by the Defendant is confined to a purely legal objection, which does not, even if taken at its face value, constitute a valid ground to contest the Plaintiff's claim, which arises out of an admitted settlement recorded in Court.

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

NEENA BANSAL KRISHNA, J.

JANUARY 16, 2026/R