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

% **Date of decision: 07th September, 2026**

CNR No. DLHC010420362026

+ **RFA 962/2026, CM APPL. 60265/2026, 60266/2026 & 60267/2026**

1. SMT. REENA KANOJIA

W/o Sh. Neeraj Kanojia

.....Appellant No.1

2. SH. NEERAJ KANOJIA

S/o Late Sh. Laxman Das Kanojia

Both Appellants No. 1 and 2 are

R/o H.No.J-23, Back Side,

Sriniwaspuri,

New Delhi-110065

....Appellant No.2

Through: Mr. Parvez Saifi, Advocate.

versus

SMT. KANCHAN RASTOGI

W/o Sh. Dheeraj Prasad

R/o H.No. C-19A, 3rd Floor,

Tyagi Builder, Ganesh Nagar,

Pandav Nagar Complex

Shakarpur, Delhi-110092.

.....Respondent

Through: None

CORAM:

HON'BLE MS. JUSTICE NEENA BANSAL KRISHNA

J U D G M E N T (oral)

1. Regular First Appeal under Section 96 read with Order XLI of the CPC has been filed on behalf of the Appellants against the Judgment and Decree dated 23.04.2026, **whereby the Suit** bearing CS No.272/2025 has been decreed for recovery of Rs.5,00,000/- along with *pendente lite* and future interest @ 7% per annum, in favour of **Plaintiff / Respondent**.



2. **The facts, in brief,** are that Mr. Neeraj Kanojia / Defendant No.2/Appellant No. 2 herein is the Plaintiff's real brother and Ms. Reena Kanojia / Defendant No.1 (Appellant No.1 herein) is her real sister-in-law (bhabhi) being the wife of Defendant No.2.

3. The parties had entered into a Settlement Deed dated 08.04.2024, whereby Defendant No.2 / Mr. Neeraj Kanojia had agreed to pay Rs.10,00,000/- to the Plaintiff, upon execution of the Relinquishment Deed. He gave Rs.5,00,000/- to her *vide* Demand Draft, on execution of the relinquishment deed in his favour, and had given the remaining Rs.5,00,000/- through post-dated cheque no. 618811 dated 09.10.2024, with an assurance that the same would be honoured on presentation; however, on presentation, it got dishonoured *vide* Return Memo dated 10.10.2024, with the remark '*Funds Insufficient*'.

4. Upon informing the Defendants about the dishonour of the cheque, she was asked to present the cheque again, at a later date. Accordingly, she presented the cheque on 10.11.2024, but this time it was returned unpaid *vide* Return Memo dated 11.11.2024, with the remarks '*Stop Payment*'.

5. The Plaintiff asserted that she visited the Defendants' house on various dates for the payment of Rs.5,00,000/-, but they refused to pay on the grounds that they had no funds. She served a Legal Notice of demand dated 03.12.2024 upon Defendant No.1, who gave a false reply. She thus, *filed the Suit under Order XXXVII of CPC for recovery of Rs.5,00,000/- along with interest.*

6. **The Defendants, in their joint Written Statement,** asserted that the balance amount of Rs.5,00,000/- was to be paid at the time of sale of the property in question. Since the property had not been sold till date, the



Plaintiff had violated the General Agreement dated 08.04.2024 by presenting the cheque prematurely, and the Plaintiff did not disclose any cause of action and was therefore, liable to be rejected under Order VII Rule 11 of CPC.

7. **On merits**, it was claimed that the Suit had been filed by the Plaintiff, to harass the Defendants. It was stated that the first part of the General Agreement dated 08.04.2024 was duly complied with by payment of Rs.5,00,000/- through Demand Draft dated 05.04.2024. However, the Plaintiff presented the cheque in question prematurely without prior consent or permission, as the second cheque could have been presented only after the sale of the Property, as referred to in the General Agreement. The Suit was therefore, liable to be dismissed.

8. The **Issues on the pleadings** were formed on 22.11.2025 as under:

I. Whether the plaintiff is entitled for decree of Rs.5,00,000/-? OPP

II. Whether the plaintiff is entitled for interest on aforesaid amount, if so, for what rate and for what period? OPP

III. Relief.”

9. The **Plaintiff examined herself as PW-1** and deposed on the lines of her Complaint and proved the cheques, Return Memo, Legal Notice and Defendants' Reply as Ex.P/1 to P/6.

10. The **Defendant No.1 examined Mr. Neeraj Kanojia as DW-1**, who proved the Aadhaar Card, Relinquishment Deed and Certificate under Section 63(2) BSA and the General Agreement dated 08.04.2024 as Ex.DW-1/A to DW-1/C and Ex.PW-1/DX-1.

11. **DW-2, Smt. Reena Kanojia** in her Affidavit of Evidence, Ex.DW-



2/1, reiterated the defence taken in the Written Statement and corroborated the testimony of DW-1.

12. DW-3, Smt. Kavita Madan, the Plaintiff's real sister deposed that she had relinquished her share in the Property *vide* Relinquishment Deed dated 09.04.2024, Ex.DW-1/B. She also deposed that the General Agreement dated 08.04.2024 Ex.PW-1/DX-1 was executed between Plaintiff and Defendant No.2, in her presence.

13. Learned District Judge, upon appreciation of the evidence, concluded that the post-dated cheque of Rs.5,00,000/- dated 09.10.2024 had admittedly been issued, in terms of the General Agreement dated 08.04.2024, Ex.PW-1/DX-1. However, since the date on the cheque was six months after the date of the General Agreement of 08.04.2024, it was concluded that the extended period for sale of the property was six months.

14. Since Defendants failed to abide by the terms of the General Agreement, the Plaintiff was well within her right to present the cheque for Rs.5,00,000/- in terms of the second part of the General Agreement. Further, had the Plaintiff not presented the cheque Ex.P/2 for encashment and waited for the sale of the property, which had not taken place till then, the cheque would have become a mere piece of paper, as the cheque was valid for three months from the date of issuance.

15. The defence that the second amount of Rs.5,00,000/- was paid only on the sale of the Property was rejected, **and the Suit of the Plaintiff was decreed for Rs.5,00,000/- along with pendente lite and future interest @ 7% per annum *vide* impugned Judgment and Decree dated 23.04.2026.**

16. Aggrieved by this impugned Judgment and Decree dated 23.04.2026, **Defendants / Appellants have filed the present Regular First Appeal.**



17. The **grounds of challenge** are that in terms of the General Agreement dated 08.04.2024, Ex.PW-1/DX-1, the cheque could not have been encashed since the property had not been sold. There was a breach of this General Agreement by the Plaintiff, and her recovery Suit was premature. It has not been appreciated that the cheque in question, was issued merely as a security and not towards a crystallised or legally enforceable liability.

18. The Appellants claimed that the property could not be sold despite their regular contact with property dealers and publication of advertisements; *bona fide* efforts were made by the Appellants. It is stated that the cheque in question, was valid from 09.10.2024 to 08.12.2024. Even otherwise, the Plaintiff had a right to file the Suit for recovery under Order XXXVII of CPC within three years, from the date of issuance of the cheque.

19. It has been erroneously concluded that the Plaintiff had voluntarily disclosed that the sale would be completed within two months, even though there was no such condition reflected in the General Agreement. In fact, no fixed period for the sale of the property was agreed between the parties.

20. Furthermore, the cheque was dated approximately six months after the date of the General Agreement, thereby implying an extension of time for completion of the proposed sale transaction.

21. It has not been considered that the first part of the General Agreement was complied with by payment of Rs.5,00,000/- to the Plaintiff, through Demand Draft. Therefore, impugned Judgement dated 23.04.2026, decreeing the Suit of the Plaintiff for Rs.5,00,000/- is liable to be set aside.

Submissions heard and record perused.

22. The basic facts are admitted. The Plaintiff and her sister agreed to relinquish rights in favour of the Defendants, who are the brother and sister-



in-law. The second sister, Ms. Kavita Madan, who appeared as DW-3, also corroborated that the General Agreement that was executed between the Plaintiff and the Defendants, in respect of Relinquishment of her share by the Plaintiff in favour of Defendant No.2. she also deposed that she had relinquished her share in the property and had got her money. Therefore, execution of the General Agreement dated 08.04.2024 Ex.PW-1/DX-1 is not disputed; rather, it is admitted by both the parties.

23. As per the General Agreement dated 08.04.2024 Ex.PW-1/DX-1, it was agreed that in *lieu* of the Relinquishment Deed by the Plaintiff in favour of Defendants, she would be given Rs.10,00,000/- as part of her share. This Agreement contemplated payment in two phases: *first* payment of Rs.5,00,000/- at the time of obtaining the relinquishment deed, which amount was admittedly received by the Plaintiff; and *second* payment of balance Rs.5,00,000/-, upon the sale of the property.

24. It has emerged from the evidence of the Plaintiff that the contemplated period for sale of the property was two months. Keeping this in view, the cheque was dated 09.10.2024, i.e., approximately six months after the date of signing of the General Agreement. This period of six months had been reasonably contemplated for facilitating the sale of the property, though it could not be sold.

25. It is admitted that the cheque was dated 09.10.2024; the Plaintiff could not have waited indefinitely in presenting this cheque; otherwise it would have become invalid after a period of three months, and become a piece of paper, as rightly observed by the Ld. District Judge. Therefore, the Plaintiff reasonably presented the cheque for encashment, though it got dishonoured.



26. The Learned District Judge has rightly observed that there could not have been an open-ended time frame for the sale of property and it as has emerged from the testimony of the Plaintiff, the parties had contemplated the sale within two months.

27. The contrary interpretation that the Agreement was open-ended and that the right of the Plaintiff would have crystallised only upon the sale of Property would, in effect, render her entitlement to receive the balance amount of Rs.5,00,000/-, nugatory. The very fact that the post-dated cheque, which was dated six months after the General Agreement, clearly reflected the intention of the parties that the cheque would be honoured on the date mentioned therein.

28. It is also significant to observe that the cheque was dishonoured when presented the first time, for *insufficiency of funds*. However, as per the Plaintiff, when she talked to the Defendants, she was asked to present the cheque again, but interestingly, this time the cheque got dishonoured on account of 'Stop Payment'.

29. This again reflects the *mala fide* of the Defendants, who, having got a registered Relinquishment Deed in favour of Defendant No.2 and having acquired the right in the property in question, were not inclined to pay the amount due to the Plaintiff towards her share in the property, as reflected from their instructions to the Bank, to stop payment. This also reflects that the Plaintiff was well within her right to present the cheque for encashment.

30. The defendants, having acquired the right in the property on accounts of execution of the relinquishment Deed in the present, they could not have post-poned the right of the plaintiff to receive the money, indefinitely.

31. The Learned District Judge, *vide* impugned Judgment and Decree



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dated 23.04.2026, has rightly appreciated the evidence and interpreted the terms of the General Agreement dated 08.04.2024 Ex.PW-1/DX-1 to hold that the Plaintiff had rightly presented the cheque, which was dishonoured upon presentation. **Therefore, the Suit of the Plaintiff was rightly decreed.**

32. There is no merit in the **present Appeal, which is hereby dismissed.** The pending Applications are disposed of, accordingly.

(NEENA BANSAL KRISHNA)
JUDGE

SEPTEMBER 7, 2026/R