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

**(CIVIL APPELLATE JURISDICTION)**

**R.F.A. COMM. NO. \_\_\_\_\_\_\_\_ OF 2025**

**IN THE MATTER OF:**

**CANARA BANK**  **…. Appellant**

Versus

**M/S SOMA ENGINEERING & Ors.**  **… Respondent**

**I N D E X**

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| **S.No.** | **Particulars** | **Page Nos.** |
|  | Notice of Motion |  |
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|  | Urgent Application |  |
|  | Memo of parties |  |
|  | Synopsis |  |
|  | List of Dates & Events |  |
|  | Opening Sheet |  |
|  | Appeal under Section 13 of The Commercial courts Acts, 2015 against the judgement and order dated 19.03.2025 passed by the Mr. Sanjay Sharma-II, District Judge (Commercial court)- 03 Shahdara, KKD, Delhi in CS (Comm.) No. 696/2022 |  |

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|  | **ANNEXURE A-1**  Certified copy of the impugned judgement and order dated 19.03.2025 in CS (Comm.) No. 696/2022 passed by Mr. Sanjay Sharma-II, District Judge (Commercial court)- 03 Shahdara, KKD, Delhi in Civil Suit (Commercial) No. 696/22. |  |
|  | **ANNEXURE A-2** |  |
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|  | Application U/s Order 39 Rule 1 & 2 CPC r/w 151 CPC for grant of interim stay along with affidavit. |  |
|  | Application U/s 151 of CPC for seeking exemption from filing the Original/ Certified /Eligible/ Typed Copies or the dim Annexures along with affidavit. |  |
|  | Vakalatnama |  |
|  | Proof of Service |  |

**THROUGH**

**NIVAARAN LAW LLP**

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**PLACE:** NEW DELHI  
**DATE:** 19.05.2025

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

**(CIVIL APPELLATE JURISDICTION)**

**R.F.A. COMM. NO. \_\_\_\_\_\_\_\_ OF 2025**

**IN THE MATTER OF:**

**CANARA BANK**  **…. Appellant**

Versus

**M/S SOMA ENGINEERING & Ors.**  **… Respondent**

**NOTICE OF MOTION**

Sir,

The enclosed Appeal in the above -said matter is being filed on behalf of the Appellant and is likely to be listed on \_\_\_\_\_\_\_\_\_\_\_\_ or thereafter.

Please take note accordingly.

**FILED BY**

**NIVAARAN LAW LLP**

**NIKHIL SINGH/ SHASYA SINGH**

Counsel for the Appellant

2, Central Lane, Bengali Market, New Delhi-110001

Mobile No. 8448444835, 8448444841

[ADMIN@NIVAARANLAW.COM](mailto:ADMIN@NIVAARANLAW.COM)

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

**(CIVIL APPELLATE JURISDICTION)**

**R.F.A. COMM. NO. \_\_\_\_\_\_\_\_ OF 2025**

**IN THE MATTER OF:**

**CANARA BANK**  **…. Appellant**

Versus

**M/S SOMA ENGINEERING & Ors.**  **… Respondent**

**COURT FEES**

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

**(CIVIL APPELLATE JURISDICTION)**

**R.F.A. COMM. NO. \_\_\_\_\_\_\_\_ OF 2025**

**IN THE MATTER OF:**

**CANARA BANK**  **…. Appellant**

Versus

**M/S SOMA ENGINEERING & Ors.**  **… Respondent**

**URGENT APPLICATION**

To,

The Deputy Registrar

High Court of Delhi

New Delhi-110003

Sir,

The urgency in this matter is vide the impugned judgement and order dated 19.03.2025 in CS (Comm.) No. 696/2022 passed by Mr. Sanjay Sharma-II, District Judge (Commercial court)- 03 Shahdara, KKD, Delhi in Civil Suit (Commercial) No. 696/22.

Kindly treat the accompanying Appeal as an urgent one in accordance with the High Court Rules and orders. The grounds of urgency are “urgent relief/order is prayed for”

Thanking you,

**NIVAARAN LAW LLP**

**NIKHIL SINGH/ SHASYA SINGH**

Counsel for the Appellant

2, Central Lane, Bengali Market, New Delhi-110001

Mobile No. 8448444835, 8448444841

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**PLACE:** NEW DELHI  
**DATE:** 19.05.2025

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

**(CIVIL APPELLATE JURISDICTION)**

**R.F.A. COMM. NO. \_\_\_\_\_\_\_\_ OF 2025**

**IN THE MATTER OF:**

**CANARA BANK**  **…. Appellant**

Versus

**M/S SOMA ENGINEERING & Ors.**  **… Respondent**

**MEMO OF PARTIES**

1. **CANARA BANK**

Through its Authorised Representative

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Having its Head office at**

112JC Road, Bangalore- 560002

**Branch office at**

GF-01, Ground floor,

Opposite Shahdara Metro Station

Delhi-110032 **…Appellant**

**Versus**

1. **M/S. SOMA ENGINEERING**

1/3399, Ram Nagar, Mandoli Road,

Gali No. 6, Shahdara, Delhi-110032

1. **SRI. BABU BANK**

S/o Sri Sukanto Bank

1st Floor, H. No. 299,

Vill. Gokul Pur, Delhi-110094 **…Respondents**

**FILED BY**

**NIVAARAN LAW LLP**

**NIKHIL SINGH/ SHASYA SINGH**

Counsel for the Appellant

2, Central Lane, Bengali Market, New Delhi-110001

Mobile No. 8448444835, 8448444841

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**PLACE:** NEW DELHI  
**DATE:** 19.05.2025

**SYNOPSIS**

The present Regular First Appeal is being preferred under Section 13 of the Commercial Courts Act, 2015 read with Order XLI Rule 1 of the Code of Civil Procedure, 1908, assailing the impugned judgment and decree dated **19.03.2025**(hereinafter referred to as the *“Impugned Judgment”*) passed by the Learned District Judge (Commercial Court)-03, Shahdara, Karkardooma Courts, Delhi in **CS (Comm.) No. 696 of 2022**, whereby the learned Trial Court has erroneously rejected the claim of the Appellant for recovery of ₹7,44,722.89/- (Rupees Seven Lakhs Forty-Four Thousand Seven Hundred Twenty-Two and Eighty-Nine Paise only) along with contractual interest in respect of Loan Account No. 90101400000846, and passed a partial decree for only ₹32,947.49/- in respect of Loan Account No. 90107100000122.

The Appellant is a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its registered office at 112, J.C. Road, Bangalore – 560002, and one of its branches situated at Shahdara, Delhi. The Appellant is engaged in the business of providing banking and financial services and enjoys wide goodwill, credibility and statutory duties towards safeguarding public funds.

The genesis of the dispute arises from the grant and subsequent renewal of a **cash credit facility** to the Respondent, the sole proprietor of *M/s Soma Engineering*, initially sanctioned on **18.04.2018** under Loan Account No. 90101400000846 for an amount of ₹7,00,000/- (Rupees Seven Lakhs only), which was renewed from time to time on the basis of fresh loan documentation executed by the Respondent himself. Additionally, on **30.08.2020**, a separate loan facility for ₹32,309/- was also sanctioned to the Respondent under Loan Account No. 90107100000122.

Despite availing and utilising the said financial facilities for commercial purposes, the Respondent failed to honour his repayment obligations. Consequently, both loan accounts were classified as **Non-Performing Assets** (NPAs) on **26.03.2022** in accordance with RBI norms. As on **31.10.2022**, a cumulative outstanding liability of ₹7,61,923.14/- was reflected across both loan accounts, which remained unpaid despite issuance of a legal demand notice dated 27.08.2022 and the unsuccessful initiation of a pre-litigation mediation process.

It is the case of the Appellant that the learned Trial Court has committed grave legal and factual errors in dismissing the Appellant’s primary claim on the hyper-technical ground that the statement of account for the entire period from **13.11.2019 to 15.12.2022** was not filed during trial, **despite ample documentary evidence on record, including executed renewal documents, hypothecation agreements, and the duly exhibited partial statement of account (Ex. PW1/15)** covering the period from 01.06.2022 to 11.11.2022. The Court has failed to appreciate the cumulative evidentiary value of these documents under Section 34 of the Indian Evidence Act, 1872, and has disregarded express **admissions of liability by the Respondent in the written statement and cross-examination**, including acknowledgment of the credit facility and execution of all relevant loan documents.

Moreover, the learned Trial Court completely overlooked the fact that the Respondent had voluntarily succeeded his late father, Sri Sukanto Bank, as proprietor of M/s Soma Engineering, and had continued the same business, operated the same loan account, and executed fresh loan documentation independently, thereby extinguishing any defence on the basis of inheritance or lack of privity. It is also pertinent to note that the learned Trial Court has failed to appreciate that the Respondent, in both his written statement and sworn testimony, has unequivocally admitted to having availed the said financial facility, signed the requisite loan and security documents, and operated the cash credit account in question. The record demonstrates that the Respondent voluntarily succeeded the proprietorship of *M/s Soma Engineering* and continued its business operations, thereby stepping into the shoes of the original borrower.

The learned Trial Court further erred in disregarding the Appellant’s additional documentary evidence, including the full statement of account covering the entire operative period of the facility, which was permitted to be brought on record by the Hon’ble Delhi High Court in **CM(M) 1589/2023**. This evidence was filed pursuant to judicial directions and should have been considered in the overall assessment of the Respondent’s liability.

Moreover, the oral testimony of the Appellant’s witness, Mr. Anand Kumar Jaiswal (PW-1), which detailed the renewal process, continued liability, and default, remained unrebutted and uncontroverted. The learned Trial Court, despite acknowledging this, failed to apply settled legal principles regarding **unchallenged evidence** and the **presumption under Section 34 of the Indian Evidence Act** in favour of regularly maintained bank accounts.

It is respectfully submitted that the Impugned Judgment is liable to be set aside as it suffers from errors of both fact and law, has resulted in miscarriage of justice, and is contrary to settled commercial jurisprudence concerning banking claims and borrower admissions.

**The Appellant respectfully submits that the Impugned Judgment is liable to be set aside for the following, amongst other, grounds:**

1. That the learned Trial Court has erred in law and fact in dismissing the Appellant’s legitimate claim in relation to Loan Account No. 90101400000846, despite cogent documentary evidence and judicial admissions by the Respondent that establish the existence, availing, and default in repayment of the said credit facility.
2. That the learned Trial Court has failed to give due weight to the statement of account (Ex. PW1/15) covering the operative period of the renewed facility, which read with the loan agreements and hypothecation documents sufficiently proves the outstanding liability under Section 34 of the Indian Evidence Act, 1872.
3. That the learned Trial Court ignored that the Respondent himself executed the renewal agreements in 2019 and 2021, which in banking practice signify not only acknowledgment of debt but a fresh cause of action, and further reflect continuity of liability.
4. That the learned Trial Court has failed to consider that the Appellant, being a nationalised bank and a custodian of public funds, had instituted the suit based on substantial evidence of indebtedness, and the rejection of its bonafide claim on mere procedural lapses without prejudice being shown to the Respondent is contrary to the settled principles of equity and commercial justice.
5. That the learned Trial Court has erroneously rejected the Appellant’s claim by invoking the non-filing of a complete statement of account at the time of evidence, despite acknowledging that additional statements covering the relevant period were filed pursuant to orders and placed on record.

Hence, the present Appeal is being filed to set aside the Impugned Judgment dated **19.03.2025** and to decree the Appellant’s suit for recovery of the outstanding dues along with contractual interest, in the interest of justice.

**LIST OF DATES AND EVENTS**

27.01.2010 **M/s Soma Engineering**, a proprietorship concern formerly represented by its erstwhile proprietor, **Sri Sukanto Bank**, approached the Appellant Bank seeking to avail a financial facility to the extent of **Rs. 8,00,000/-** (Rupees Eight Lakhs only) to meet the working capital requirements of the said business operating under the name and style of *“M/s Soma Engineering”*.

02.02.2010 The Appellant Bank sanctioned a credit facility to the extent of **Rs. 8,00,000/-** (Rupees Eight Lakhs only) in Loan Account No. **90101250000966**, in the name of **M/s Soma Engineering**. To secure the said facility, the borrower (Sri Sukanto Bank) executed various loan documents in favour of the Appellant Bank, which included, inter alia, **hypothecation of stock and book debts**.

22.05.2013 **Sri Sukanto Bank**, the erstwhile proprietor of **M/s Soma Engineering**, once again approached the Appellant Bank seeking **renewal of the aforesaid credit facility**.

28.05.2013 Accordingly, the Appellant Bank renewed the aforesaid credit facility to the extent of **Rs. 8,00,000/-** (Rupees Eight Lakhs only) under **Loan Account No. 90101250000966**, maintained in the name of **M/s Soma Engineering**. To secure the renewed facility, requisite loan documents were duly executed by the Sri Sukanto Bank, supported by the continuing **hypothecation of stock and book debts** in favour of the Appellant Bank.

2015 In the year **2015**, the existing **Loan Account No. 90101250000966** of the Respondent firm was migrated to **Loan Account No. 90101400000610** on account of internal system upgrades and technical requirements of the Plaintiff Bank.

05.07.2017 Subsequently, **M/s Soma Engineering**, through its erstwhile proprietor **Sri Sukanto Bank**, once again approached the Appellant Bank with a request for **renewal and enhancement of the existing credit facility**, seeking an increased limit of **Rs. 10,00,000/-** (Rupees Ten Lakhs only) to meet the growing financial requirements of the business.

03.08.2017 Pursuant to the request, the Appellant Bank sanctioned the renewal of the credit facility to the tune of **Rs. 7,00,000/-** (Rupees Seven Lakhs only) under **Loan Account No. 90101400000610**, in the name of **M/s Soma Engineering**. In connection therewith, necessary loan documentation was duly executed by the borrower. The facility continued to be backed by an existing charge created through **hypothecation of stock and book debts**.

04.08.2017 **M/s Soma Engineering**, through its erstwhile proprietor **Sri Sukanto Bank**, issued a **Letter of Authority** in favour of the Respondent, **Sri Babu Bank**, thereby authorising him to operate **Loan Account No. 90101400000610**, including the authority to honour and issue cheques or drafts drawn thereon.

05.12.2017 The Respondent approached the Appellant Bank and informed it about the demise of his father, **Sri Sukanto Bank**, the erstwhile proprietor of M/s Soma Engineering. Subsequently, the Respondent, **Sri Babu Bank**, submitted a request for transfer of the said proprietorship firm in his name and further sought initiation of the process for opening a fresh **Overdraft (OD) limit account** in his individual capacity.

In support of his request, **Sri Babu Bank** submitted relevant documents, including the **GST Registration Certificate**, the **Death Certificate of Sri Sukanto Bank**, and a **Consent Letter** from the daughter of Sri Sukanto Bank, wherein she relinquished all her rights and claims in respect of **Loan Account No. 90101400000610.** Pursuant to the submission and verification of the aforesaid documents, the said account was duly closed. The Respondent further requested that the outstanding balance in the said account be transferred to his newly proposed OD account.

18.04.2018 Pursuant thereto, the Appellant Bank sanctioned the credit facility in favour of **Sri Babu Bank** under fresh **Loan Account No. 90101400000846**. In order to secure the said facility, the borrower duly executed the requisite loan and security documents, including, *inter alia*, a deed of hypothecation over stocks and book debts.

01.11.2019 **M/s Soma Engineering**, through its proprietor **Sri Babu Bank**, approached the Appellant Bank by submitting an application seeking renewal of the existing credit facility to the extent of **Rs. 6,50,000/- (Rupees Six Lakhs Fifty Thousand only).**

13.11.2019 The Respondent accordingly executed the requisite loan documentation, including the **Composite Hypothecation Agreement** under **Loan Account No. 90101400000846**, along with other ancillary and supporting documents as required by the Appellant Bank. The said facility was sanctioned and made repayable in accordance with the **mutually agreed terms and conditions**.

30.08.2020 The Appellant Bank also sanctioned and disbursed an additional sum of **Rs. 32,309/-** (Rupees Thirty-Two Thousand Three Hundred and Nine only) to the Respondent under **Loan Account No. 90107100000122**, pursuant to a request made by the Respondent.

08.12.2021 Subsequently, the said credit facility was **renewed** by the Appellant Bank pursuant to a **Sanction Letter**, following the execution of the requisite loan documents by the Respondent.

31.12.2021 The Respondent lastly made a payment of **Rs. 30,000/-** (Rupees Thirty Thousand only) towards **Loan Account No. 90101400000846**, and a further sum of **Rs. 238.55/-** (Rupees Two Hundred Thirty-Eight and Fifty-Five Paise only) towards **Loan Account No. 90107100000122.**

26.03.2022 The Respondent has failed to adhere to financial discipline by defaulting on the mutually agreed terms and conditions of the Loan Agreement, and did not made payments as per the stipulated schedule, thereby rendering the account as a **Non-Performing Asset (NPA).**

27.08.2022 The Appellant Bank, through its legal counsel, duly served a **legal demand notice** upon the Respondent, Sri Babu Bank, demanding repayment of the outstanding dues. However, despite due service of the said legal notice, the Respondent **failed** to comply and did not make the payment of the outstanding amount.

05.09.2022 The Appellant Bank approached the **District Legal Services Authority,** **Shahdara, at Karkardooma Courts** by filing a pre-litigation mediation application for the settlement of the outstanding amount of ₹7,44,722.89 (Rupees Seven Lakhs Forty Four Thousand Seven Hundred Twenty Two Paisa Eight Nine only) against Loan Account No. 90101400000846 and ₹32,947.49 (Rupees Thirty Two Thousand Nine Hundred Forty Seven Paisa Four Nine only) against Loan Account No. 90107100000122. Subsequently, a **Non-Starter Report** was issued by the DLSA (Shahdara).

15.12.2022 The Appellant Bank instituted a **Commercial Suit No. 696 of 2022** under U/S 6 of the Commercial Courts, Commercial Division and Commercial Appellant Division of High Courts Act, 2015 before the **Ld. Karkardooma Courts, Delhi** seeking the recovery of the outstanding amount of Rs. 7,77,670.38/- (Seven Lakhs Seventy Seven Thousand Six Hundred Seventy Paisa Three Eight only).

19.03.2025 The impugned order was passed erroneously by rejecting claim of the Appellant bank of **Rs. 7,44,722.89 (Rupees Seven Lakhs Forty Four Thousand Seven Hundred Twenty Two and Eighty Nine Paisa only) against Loan Account No. 90101400000846**, on the ground that the Appellant Bank did not file the complete statement of account for the period from 13.11.2019 to 15.12.2022 at the stage of evidence. The Ld. Court failed to appreciate that the statement of account for the year is itself sufficient to establish the liability of Sri Babu Bank in his capacity as Proprietor of M/s Soma Engineering, as the said loan account was **renewed** in the same year. The process of renewal necessarily involved the execution of several documents, including the hypothecation agreement and assignment of book debts, thereby reaffirming the liability of the borrower.

\_\_\_\_\_\_\_\_ **HENCE THE PRESENT APPEAL.**

OPENING SHEET

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

**(CIVIL APPELLATE JURISDICTION)**

**R.F.A. COMM. NO. \_\_\_\_\_\_\_\_ OF 2025**

**IN THE MATTER OF:**

**CANARA BANK**  **…. Appellant**

Versus

**M/S SOMA ENGINEERING & Ors.**  **… Respondent**

**FIRST APPEAL UNDER THE SECTION 13 OF THE COMMERCIAL COURTS ACT, 2015 AGAINST THE JUDGEMENT AND ORDER DATED 19.03.2025 PASSED BY THE DISTRICT JUDGE (COMMERCIAL COURT)- 03 SHAHDARA, KKD, DELHI IN CS (COMM.) NO. 696/2022**

**MOST RESPECTFULLY SHEWETH:**

1. The Appellant above named is filing the present Regular First Appeal under Section 13 of the Commercial Courts Act, 2015 read with Section 96 of the Code of Civil Procedure, 1908, against the judgment and decree dated **19.03.2025**(hereinafter referred to as the *"Impugned Judgment"*) passed by **Mr. Sanjay Sharma-II, Ld. District Judge (Commercial Court)-03, Shahdara, Karkardooma Courts, Delhi** in **CS (Comm.) No. 696/2022**, whereby the Ld. Trial Court was pleased to reject the Appellant’s suit to the extent of ₹7,44,722.89/- in respect of **Loan Account No. 90101400000846** solely on the ground that the Appellant had not filed the complete bank statement covering the period from 13.11.2019 to 15.12.2022 at the stage of evidence. The certified copy of the Impugned Judgment is annexed hereto and marked as **Annexure A-1**.
2. The Appellant is a statutory body constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head Office at 112, J.C. Road, Bangalore – 560002 and one of its branches situated at Shahdara, Delhi. The Appellant is a nationalised bank engaged in the business of providing financial and banking services and is duty-bound to safeguard public funds.
3. The Respondent is the sole proprietor of M/s Soma Engineering, a proprietorship concern which was originally operated by the Respondent’s father, Late Sh. Sukanto Bank. Upon his demise, the Respondent formally took over the said concern and continued its operations under the same trade name. Documentary evidence, including the GST registration and income tax returns, affirm this succession and his independent operation of the business.
4. The Appellant and the proprietorship firm M/s Soma Engineering have had a long-standing banker-borrower relationship since 2010. In continuation thereof, on **18.04.2018**, a fresh cash credit facility of ₹7,00,000/- was sanctioned to the Respondent under **Loan Account No. 90101400000846**, which was subsequently renewed on **13.11.2019** and again on **08.12.2021**, on both occasions upon formal written requests and fresh execution of requisite documents by the Respondent.

A copy of the Sanction Letters and the duly executed loan documentation including Composite Hypothecation Agreements, Letters of Undertaking and Indemnity, and Renewal Applications are annexed hereto and collectively marked as **Annexure A-2**.

1. In addition, on **30.08.2020**, the Appellant further sanctioned a separate facility of ₹32,309/- to the Respondent under **Loan Account No. 90107100000122**, which was also availed by him. A copy of the relevant sanction and loan documents is annexed hereto and marked as **Annexure A-3**.
2. Despite availing the aforesaid financial assistance, the Respondent failed to maintain financial discipline. While partial repayments of ₹30,000/- and ₹238.55/- were made under the two respective loan accounts, both accounts were eventually declared **Non-Performing Assets (NPA)** on **26.03.2022**, as per the Reserve Bank of India’s guidelines.
3. A formal **legal demand notice** dated **27.08.2022** was issued to the Respondent calling upon him to discharge the outstanding liability, but to no avail. The said notice was duly served. A copy of the legal notice is annexed hereto and marked as **Annexure A-4**.
4. The Appellant thereafter initiated pre-litigation mediation proceedings before the DLSA, Shahdara, which culminated in a non-starter report. A copy of the report is annexed hereto and marked as **Annexure A-5**.
5. Consequently, the Appellant filed a suit being **CS (Comm.) No. 696/2022** before the Ld. Commercial Court, Shahdara, seeking recovery of ₹7,77,670.38/-, which included: ₹7,44,722.89/- under **Loan A/c No. 90101400000846**, and ₹32,947.49/- under **Loan A/c No. 90107100000122**,  
   along with pendente lite and future interest at 8.55% p.a.
6. The Appellant examined **Mr. Anand Kumar Jaiswal (PW-1)**, the Senior Manager of its Shahdara Branch, who duly exhibited all relevant loan documentation, account statements, and the legal notice. The documents were marked as **Ex. PW1/1 to PW1/19**.
7. The Respondent, in his **written statement** and **cross-examination**, admitted to availing the financial facilities, signing the loan and renewal documents, and operating the relevant loan accounts in his individual capacity as sole proprietor. He further confirmed that he had taken over the business from his father and continued its operations.
8. However, the Ld. Trial Court, by the Impugned Judgment dated **19.03.2025**, erroneously dismissed the Appellant’s claim under Loan Account No. 90101400000846 on the narrow ground that the complete bank statement for the entire period (13.11.2019 to 15.12.2022) was not filed during trial, even though a **partial certified account statement (Ex. PW1/15)** had been placed on record, and the Respondent had admitted liability.
9. The Ld. Trial Court completely disregarded the legal sanctity of admissions made under **Sections 17 and 58 of the Indian Evidence Act, 1872**, which are binding and constitute substantive evidence. It also failed to appreciate that:

The credit facility was duly renewed in 2019 and 2021 by the Respondent himself;

The renewal of a loan constitutes a **fresh contractual obligation** under **RBI’s IRAC norms**, and therefore, a fresh cause of action;

The additional statement of account was filed pursuant to directions of the Hon’ble High Court in **CM(M) 1589/2023**, and was available on record;

The statement of account, being a computer-generated record, was duly supported by a **Section 65B certificate**and was admissible under **Section 34 of the Indian Evidence Act**.

1. It is respectfully submitted that the Appellant had led **unrebutted and cogent evidence**, both oral and documentary, to substantiate its claim. The Respondent had himself admitted to the execution of the documents and the availing of the credit facility. The rejection of the claim on a mere technicality has resulted in a **gross miscarriage of justice**.
2. It is further submitted that the Appellant is a nationalised bank with a statutory responsibility to recover public funds. The rejection of its well-founded claim, solely on procedural grounds, without any finding of prejudice to the Respondent, is unjust, inequitable and contrary to the objectives of the **Commercial Courts Act, 2015**, which mandates speedy adjudication of commercial claims.
3. The present appeal is therefore being preferred on substantial questions of law and material irregularity in the appreciation of evidence. The Appellant craves leave to urge additional grounds at the time of hearing, if necessary.
4. The present appeal is being filed within the period of limitation.
5. That an amount Rs. \_\_\_\_\_\_\_\_\_\_ has been affixed with this appeal for the purpose of court fees.
6. This appeal is bonafide and in the interest of justice.
7. It is submitted that the impugned order is contrary to the established law and legal principles and is liable to be set aside on the following amongst other grounds, which are without prejudice to and independent of each other:-

**GROUNDS**

1. Because the Learned Trial Court has failed to appreciate that the Respondent had, by way of express admission in the written statement as well as in his cross-examination, categorically acknowledged the sanction, availing, and operation of the credit facility under Loan Account No. 90101400000846, and had further admitted to executing all necessary loan and renewal documents in respect thereof.
2. Because the Learned Trial Court has erred in law and in fact in rejecting the Appellant’s claim of ₹7,44,722.89/- solely on the ground that the complete bank statement for the period 13.11.2019 to 15.12.2022 was not filed at the time of evidence, without appreciating that the claim was otherwise supported by cogent documentary evidence including the duly exhibited partial statement of account (Ex. PW1/15), renewal documents, and borrower admissions.
3. Because the Learned Trial Court failed to consider that the credit facility in question was renewed on 13.11.2019 and 08.12.2021 through fresh execution of all requisite documents by the Respondent, and in banking and commercial law, such renewals constitute a fresh cause of action and extinguish any infirmity pertaining to the initial disbursement.
4. Because the Learned Trial Court failed to appreciate that the Respondent had independently succeeded to the proprietorship of M/s Soma Engineering after the demise of his father, Late Sh. Sukanto Bank, and had continued to operate the business, deal with the Appellant Bank, and execute loan documents in his own capacity as proprietor.
5. Because the Learned Trial Court incorrectly treated the claim as one enforceable only against the legal heir of a deceased borrower, whereas the documentary record, including GST registration, renewal requests, and the Respondent’s own conduct, established that the loan was renewed and operated by the Respondent in his personal commercial capacity.
6. Because the Learned Trial Court failed to apply the evidentiary presumption under Section 34 of the Indian Evidence Act, 1872, in favour of the regularly maintained books of account of the Appellant Bank, and did not assign due weight to the electronic statement of account duly certified under Section 65B of the Evidence Act.
7. Because the Learned Trial Court disregarded the unchallenged oral testimony of PW-1, Mr. Anand Kumar Jaiswal, who deposed in detail regarding the grant, renewal, and default of the credit facilities in question, and whose evidence remained unimpeached on material aspects.
8. Because the Learned Trial Court failed to appreciate that the Appellant had, in good faith and in compliance with judicial directions passed in CM(M) 1589/2023 by the Hon’ble High Court, placed the complete and additional statement of account on record, and such evidence ought to have been considered in the overall adjudication of the Respondent’s liability.
9. Because the rejection of the Appellant’s claim on a purely technical ground, in the face of substantial and uncontroverted documentary and oral evidence, amounts to a denial of substantive justice and is contrary to the settled principles of commercial jurisprudence.
10. Because the Learned Trial Court erred in not applying the settled principle that admissions—whether in pleadings or in evidence—are binding on the party making them and constitute the best form of proof against the maker.
11. Because the Impugned Judgment suffers from material irregularity and legal infirmity in its appreciation of the evidence on record and has resulted in manifest miscarriage of justice, warranting interference by this Hon’ble Court in exercise of its appellate jurisdiction.

**PRAYER**

In view of the foregoing, the Appellant most respectfully prays that this Hon’ble Court may be pleased to:

**a.** Set aside the judgment and decree dated **19.03.2025** passed by the Learned District Judge (Commercial Court)–03, Shahdara, Karkardooma Courts, Delhi in **CS (Comm.) No. 696 of 2022**, to the extent it dismisses the Appellant’s claim of ₹7,44,722.89/- (Rupees Seven Lakhs Forty-Four Thousand Seven Hundred Twenty-Two and Eighty-Nine Paise only) in respect of **Loan Account No. 90101400000846**;

**b.** Decree the Appellant’s suit **CS (Comm.) No. 696 of 2022** in full for recovery of the amount of ₹7,44,722.89/- (Rupees Seven Lakhs Forty-Four Thousand Seven Hundred Twenty-Two and Eighty-Nine Paise only), along with contractual interest thereon at the rate of 8.55% per annum with quarterly rests from the date of default till realization, in favour of the Appellant and against the Respondent;

**c.** Award costs of the present proceedings in favour of the Appellant and against the Respondent; and

**d.** Pass such other and further orders as this Hon’ble Court may deem just and proper in the facts and circumstances of the case.

**AND FOR THIS ACT OF KINDNESS, THE APPELLANT AS IN DUTY BOUND SHALL EVER PRAY.**

**APPELLANT**

**THROUGH**

**NIVAARAN LAW LLP**

**NIKHIL SINGH/ SHASYA SINGH**

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**PLACE:** NEW DELHI  
**DATE:** 19.05.2025

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

**(CIVIL APPELLATE JURISDICTION)**

**R.F.A. COMM. NO. \_\_\_\_\_\_\_\_ OF 2025**

**IN THE MATTER OF:**

**CANARA BANK**  **…. Appellant**

Versus

**M/S SOMA ENGINEERING & Ors.**  **… Respondent**

**AFFIDAVIT**

**I, Anand Kumar Jaiswal, the Senior Manager at Canara** Bank, Branch Office: GF-01, Ground floor, Parsav Nath Metro Tower, Opposite Shahdara Metro Station, Delhi-110032, do hereby state on oath and declare as under:

1. That I have read and understood the contents of the present appeal and affirm the contents to be true and correct to the best of my knowledge and belief, nothing material has been concealed therefrom.
2. That the annexures are true copies of their respective originals.

**DEPONENT**

**VERIFICATION**

Verified at new Delhi \_\_\_\_ day of \_\_\_\_\_ 2025 that the contents of the above affidavit are true and correct and nothing material has been concealed therefrom.

**DEPONENT**