



\$~1

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

Date of decision: 30th April, 2026

Uploaded on: 02nd May, 2026

+ **RFA(COMM) 165/2025 & CM APPL. 15394/2025**

PARMINDER RAI

.....Appellant

Through: Mr. Saurabh Kansal, Ms. Pallavi
Sharma Kansal, Mr. Suraj Kumar Jha,
Ms. Sakshi Tiwari, Mr. Raghav Vij,
Mr. Pratham malik, Ms. Ritul Sharma
& Ms. Vanshika Kapoor, Advs.
(M:8677824799)

versus

CANARA BANK E SYNDICATE

.....Respondent

Through: Ms. Rekha Rustagi & Ms. Mitanshi
Rustagi, Advs.

CORAM:

JUSTICE PRATHIBA M. SINGH

JUSTICE MADHU JAIN

Prathiba M. Singh, J. (Oral)

1. This hearing has been done through hybrid mode.
2. The present appeal has been filed under Section 96 of the Code of Civil Procedure, 1908, by the Appellant – Parminder Rai, challenging the order dated 21st September, 2024 (*hereinafter 'impugned judgment'*) passed by District Judge (Commercial Court)-01, Tis Hazari Courts, West District, Delhi, in case titled '*Canara Bank v. Sh. Parminder Rai*' bearing *CS (Comm.) No. 584/2022*.
3. *Vide* the impugned judgment, the District Judge has decreed the suit filed by the Respondent/Plaintiff *i.e.*, Canara Bank (e-Syndicate) against the Defendant, who is the Appellant herein, thereby directing the Appellant to pay a sum of Rs. 3,73,629/- along with interest @ 10.05% per annum to the Respondent/Plaintiff.



4. On 25th March, 2026, notice was issued in the present matter and the Appellant was to satisfy the Court on the aspect of delay in filing and re-filing of the present appeals.
5. Thereafter, on 9th September, 2025, the application for condonation of delay in filing and re-filing the appeal was considered and the delay was condoned. Further, the Court was informed that there is a possibility of amicable settlement and the matter is pending in mediation.
6. Pursuant thereto, on 26th November, 2025, the Court was informed that the mediation proceedings did not yield any positive outcome.
7. Today, the matter has been put up for hearing.
8. The brief background of the present case is that the Appellant is a taxi driver, holding a commercial license to drive a commercial vehicle. The Appellant had approached the Respondent for a term loan of Rs. 4,80,000/-, to purchase Honda Amaze for commercial use.
9. The Respondent had sanctioned the loan to the Appellant *vide* sanction letter dated 22nd September, 2015. Thereafter, the Appellant failed to repay some part of the loan and a suit for recovery was instituted before the Commercial Court.
10. The only plea that is urged by Id. Counsel for the Appellant is that the Respondent-Canara Bank (e-Syndicate) has the power to re-possess the vehicle which it did not avail of. Further, it is also submitted that due to the COVID-19 period, the Appellant could not even utilise the vehicle for the purpose for which the loan was obtained.
11. On behalf of the Respondent it is submitted by Id. Counsel that the facts are not in dispute. The loan was availed of and the instalments have been paid only till February, 2020. It is further submitted that, even prior to the same,



there was a default by the Appellant and the loan was itself restructured.

12. According to the Appellant, out of a sum of Rs. 4,80,000/-, a sum of Rs. 4,29,000/- was paid, however, the remaining remained under default.

13. The Court has considered the matter. A perusal of the impugned judgment would show that the Trial Court has come to the conclusion that the Respondent Bank was able to establish the loan which was availed of. The plea raised before the Trial Court was that the Appellant had signed some blank documents. However, this plea was not accepted by the Trial Court.

14. Further, the Trial Court holds that the pleas of the Appellant were inherently contradictory in respect of the signatures which were being disputed by the Appellant. The main finding of the Trial Court is that the interest @11% per annum, being 1% beyond the base rate, is also mentioned specifically in the composite hypothecation agreement itself. It is also stated that the amount has been disbursed by the Respondent-Bank and the Appellant having already availed of the said loan could not have raised contradictory pleas. Even the restructuring of the loan has been considered by the Trial Court, in terms of the *Exhibit PW-1/8* dated 5th March, 2019. Under these circumstances, the Court had decreed the suit in the following terms:

*“35. In view of my findings to the aforesaid issues, the suit of the plaintiff is decreed for an amount of **Rs. 3,73,629/- alongwith interest @ 10.05% per annum in favour of the plaintiff and against the defendant from the date of filing of the suit till realization with costs.**”*

15. The Appellant is stated to be a person who has been in financial distress, and it appears that for some period during COVID-19, the Appellant could not use the vehicle for which the loan was availed of.



16. Upon consideration of the overall facts and circumstances of the case, the mere fact that the Respondent Bank did not exercise its right to repossess the vehicle cannot, by itself, constitute a valid ground for the Appellant to justify non-payment of the loan

17. The instalments having not been paid, the decree cannot be faulted. However, the Court considers the fact that in the present case, the period was COVID-19 period, and the Appellant could not have used the vehicle.

18. In the facts and circumstances of this case, the interest is modified to 7% per annum simple interest from the date of filing of suit, till realisation.

19. The appeal is disposed of in these terms. Pending applications, if any, are also disposed of.

**PRATHIBA M. SINGH
JUDGE**

**MADHU JAIN
JUDGE**

APRIL 30, 2026
dj/sm