IN THE COURT OF MS. AMBIKA SINGH, DISTRICT JUDGE-01,
SOUTH DISTRICT, SAKET COURT, NEW DELHI

Arbitration Petition No.648/2026

In the matter of:
IDFC FIRST BANK LTD.,
Having its Branch office at:
G-2, A-23, Main Aurbindo Marg,
Green Park, New Delhi - 110016

….Petitioner

Versus

AQDUS HOSSAIN
A 40 Jamia Nagar Shram Vihar,
Abu Fazal Enclave Part – 3,
Woodland Showroom,
South Delhi, Delhi - 110025
Mobile No.9873018405

….Respondent

01.06.2026

Fresh Arbitration Petition received on assignment. It be checked and registered.

Present : Ld. Counsel for Petitioner

ORDER

1. The applicant/petitioner has filed the present application under Section 9 of the Arbitration and Conciliation Act, 1996 seeking interim relief in the nature of appointment of a Receiver to take possession of security vehicle **make Bajaj Pulsar NS400Z bearing registration No.DL7SCU5111, Engine No.JLXCSL76781 and Chassis No.MD2C49MX9SCL19616.**

2. It is averred in the application that the applicant/petitioner is a scheduled commercial bank within the meaning of 'Scheduled Bank' defined under Section 2(e) of the Reserve Bank of India Act, 1934 having its Registered Office at IDFC First Bank Limited, KRM

Tower 7th Floor, No.1, Harrington Road, Chetpet, Chennai Tamilnadu – 600031 and having Branch office at G-2, A-23, Main Aurbindo Marg, Green Park, New Delhi – 110016. The petitioner is engaged in the business of banking and finance as permissible under the Relevant Provisions of Banking Regulation Act, 1949. Further, applicant/petitioner company authorized **Sh. Raj Kumar** to file the present application and to do all the necessary acts and deeds in connection thereof.

3. It is further averred that the respondent approached the petitioner bank for the purpose of financing under the loan-cum-hypothecation scheme of the petitioner bank. Respondent requested the petitioner bank to finance vehicle under the loan-cum-Hypthecation Scheme for financing an amount of **Rs.1,65,194/-** and the respondent agreed to repay the loan amount in **36** equated monthly installment of **Rs.6069/-** each. The petitioner bank agreed to give vehicle under the loan-cum-hypothecation scheme and the respondent executed loan agreement no.**168017300** dated **02.03.2025** in favour of bank. The petitioner disbursed the aforesaid amount to the respondent to purchase the vehicle. The respondent undertook to repay the loan amount in **36** equated monthly installments of **Rs.6069/-.** The respondent further agreed that if any installment is delayed, he would pay a penal interest as per the agreement entered between the parties on the outstanding equated monthly installments, the bank would also be entitled to take the possession of the vehicle.

4. It is further averred that after availing the said finance facility and enjoying the possession of the said vehicle, the respondent failed to make the payment of **5** installments as per the Agreement. Despite several assurances by the respondent, the respondent has deliberately violated the scheduled Equated Monthly Installments. Therefore, the petitioner bank had issued a loan re-call notice dated **28.04.2026** informing the defendant about withdrawal of the loan provided to the respondent and the foreclosure value as on **22.04.2026** was **Rs.1,75,017.1/-**. Despite issuance of notice dated **28.04.2026**, the respondent failed to make any payment nor replied to the notice nor make any effort to repay the outstanding amount and to handover the peaceful possession of the hypothecated vehicle.

5. It is also averred that as per the accounts maintained by the petitioner bank, the respondent is liable to pay a sum of **Rs.1,75,017.1/-** as on **22.04.2026** towards the due installment, alongwith future receivable as principal, interest, penal interest and other dues. The petitioner bank apprehends that the respondent may try to part with the possession of the said vehicle, in violation of the terms and conditions of the Agreement. The respondent has not surrendered the vehicle in compliance of the legal notice.

6. The applicant has also averred that **clause 14.6** of the Agreement provides for resolution of dispute arising out of the same through arbitration by an Arbitrator already nominated by the parties. In view of the said arbitration clause, the petitioner bank intends to refer the dispute to arbitration very soon.

7. As per the applicant, there is a clear prima facie case in its favour. Further, the applicant has a strong apprehension that the vehicle in question has either been or is about to be disposed off by the respondent. In case the respondent does so, the applicant shall suffer irreparable loss and injury, and recovery of the balance amount may become impossible. It is, thus, prayed that **Mr. Nitin Kumar,** Representative of the petitioner may be appointed as the

Receiver, with the direction to take possession of the vehicle in question from the respondent, his agent or any other person found in possession of the said vehicle. Directions to the concerned SHO of the area where the vehicle is found, are also prayed for, in order to enable the Receiver to take possession of the said vehicle. Further, the petitioner bank has also prayed that the Receiver may be allowed to deal with the said vehicle as per the orders/directions of the Arbitral Tribunal.

8. I have heard the learned counsel for the applicant/petitioner. I have also perused the documents filed on record.

9. Perusal of record reveals that copy of the Loan Agreement dated **02.03.2025** executed between the petitioner bank and the respondent. **Clause 14.6** of the said Agreement pertains to reference to a Sole Arbitrator in case of a dispute. Further, the agreement lays down the payment modalities.

10. Further, the legal demand notice stated to have been sent by the petitioner bank to the respondent, alongwith the postal receipt. As per the petitioner Bank, the respondent defaulted in the payment of **5** installments. The Statement of Account shows that the total amount receivable from the respondent is **Rs.1,75,017.1/-.**

11. Further, in the case of **ICICI Bank Limited v. Updesh Nagar** (FAO 7/2016 decided on 05.01.2016), the Hon'ble Delhi High Court set aside the impugned order refusing to appoint a Receiver at the exparte stage. The Hon'ble Court appointed a Receiver in the said case and observed that:"….. if, what the appellant says is correct, each day's delay in repayment of the loan is causing prejudice to the appellant. The appellant/plaintiff is a bank which, essentially, deals with public funds and therefore, cannot be left at a loosened to protect its security. The only security, as contended by the counsel for the appellant/ plaintiff, qua the loan disbursed to the respondent/defendant, is the aforementioned vehicle."

12. In view of the aforesaid proposition of law and the fact that the respondent is stated to be a defaulter in payment of installments of the loan amount, the apprehension of the applicant/petitioner that the vehicle in question may be disposed off by the respondent during pendency of the dispute is not totally misconceived. Further, any delay in grant of interim relief may defeat the very object of filing the present application. Accordingly, this court is satisfied that the applicant/petitioner has been successful in making out a prima facie case for appointment of a Receiver ex-parte. In this regard, guidelines laid down by the Hon'ble Delhi High Court in the case of Kotak Mahindra Prime Ltd. Vs. Kamal Chauhan & Anr. (O.M.P. (I) No. 540/2015 & I.A. No. 25026/2015, decided on 23.12.2015) are taken into consideration and accordingly, the following directions are being passed:

(i) **Mr.Nadeem, Collection Manager**, Representative of petitioner (**copy of the identity card filed on record)**, is hereby appointed as Receiver in the present case to take possession of the vehicle in question i.e. **make Bajaj Pulsar NS400Z bearing registration No.DL7SCU5111, Engine No.JLXCSL76781 and Chassis No.MD2C49MX9SCL19616** from the respondent, his agents or any other person found in possession of the vehicle.

(ii) The Receiver shall file his affidavit to the effect that he is working with the applicant company as Recovery Manager, in the court or send the same on the dedicated email ID of the court i.e.

adj01south@gmail.com within 10 days of passing of this order.

(iii) The Receiver shall take over the possession of the vehicle from the respondent at the address(es) given in the loan application. If the vehicle is not available at the said address(es), the Receiver shall be at liberty to recover the vehicle wherever found. However, the Receiver shall not stop a running vehicle on the road to forcibly take out the driver to take the possession of the vehicle. The Receiver shall also not make any attempt to block the passage of the vehicle to bring it to a halt to take its possession.

(iv) The Receiver shall avoid taking the possession of the vehicle if the vehicle is occupied by a woman who is not accompanied by a male member, or an elderly, infirm or physically/mentally challenged person. In such cases, the Receiver shall take the possession of the vehicle from the borrower's residence.

(v) The Receiver shall also ensure that the repossession of the vehicle does not result in any breach of peace. In the event of any breach of peace, the Receiver shall not proceed without assistance of police.

(vi) At the time of taking the custody of the vehicle, the Receiver shall deliver a copy of this order to the person from whom the possession is taken.

(vii) At the time of taking the custody of the vehicle, the Receiver shall take the photographs of the vehicle from different angles alongwith the person(s) occupying the vehicle as well as the place of taking over the possession.

(viii) The Receiver shall prepare an inventory of the articles/accessories found in the vehicle and shall furnish the copy of the inventory to the person from whom the possession is taken. The applicant/petitioner shall send the same on the aforesaid email ID of the court, alongwith its report.

(ix) After taking the vehicle in possession, the Receiver shall keep the vehicle in safe custody.

(x) If the respondent makes payment of the outstanding installments as on the date of possession, the Receiver shall release the vehicle in question to the respondent on superdari subject to an undertaking by the respondent to the Receiver for regular repayment of future monthly installments till the expiry of the tenure and a declaration not to part with the vehicle or create third party interest in the vehicle until the entire amount is paid.

(xi) If the respondent is not in a position to clear the entire outstanding installments, the Receiver shall give him another opportunity to pay the outstanding installments within 30 days of taking over the possession of the vehicle and in case the respondent makes the payment of the outstanding installments within the said period, the Receiver shall release the vehicle to the respondent subject to an undertaking as aforementioned.

(xii) If the respondent does not make the payment of the outstanding amount to the applicant/petitioner within 60 days, the Receiver, with the prior permission of the Arbitrator, would be authorized to sell the vehicle in question in a public auction with prior written notice (to be sent by Speed Post AD) of the date of auction to the respondent at the address(es) mentioned in the loan agreement or the address from where the vehicle is taken into possession so that the respondent may also be able to participate in the auction to enable the applicant to fetch maximum amount from the sale of the vehicle. The Receiver shall carry out video recording of the auction proceedings and shall submit the same before the Arbitrator along with his final report.

(xiii) The vehicle in question shall not be sold or disposed of or the possession thereof parted with without due permission of the Court.

(xiv) In case the respondent clears all the due installments before such repossession, the vehicle shall not be repossessed.

(xv) The Receiver shall inform the respondent about the option of resolving the dispute amicably by settlement before the Mediation Centre, Saket Court Complex, Delhi and shall also provide a copy of this order to the respondent at the time of repossessing the vehicle.

(xvi) The applicant/petitioner shall refer the dispute to arbitration in terms of clause **14.6** of the Loan Agreement, if not already referred, for appointment of an Arbitrator within four weeks from today, and inform the Court in writing about the same.

(xvii) The Receiver shall submit his report on the aforementioned dedicated email ID of the court within 10 days of taking the custody of the vehicle, alongwith the photographs and inventory mentioned above.

(xviii) In case the matter is referred to arbitration after this order, then the Receiver shall submit a copy of his report to the learned Arbitrator. Even in case the matter has already been referred, then also such report shall be filed before the learned Arbitrator.

(xix) The learned Arbitrator shall decide the dispute referred for arbitration, uninfluenced by the present order.

(xx) The parties are at liberty to apply to the learned Arbitrator for modification of this order.

(xxi) This order shall remain in force till either the respondent makes the payment of the loan amount or till it is modified by the learned Arbitrator during arbitration proceedings or till the termination of the arbitration proceedings.

13. With the aforesaid directions, the present application accordingly stands disposed off. The applicant/petitioner is directed to get this order served upon the respondent through electronic modes i.e. email and Whatsapp within 10 days from today and file its affidavit of compliance on record, alongwith the proof of service, on the aforesaid dedicated email ID of the court within 15 days from today.

File be consigned to Record Room after due compliance.

Announced in open court
today on 01.06.2026

Ambika singh
Digitally signed by Ambika singh
Date: 2026.06.01 16:42:36 +0530

(AMBIKA SINGH)
District Judge-01, (South)
Saket District Courts,
New Delhi