IN THE COURT OF SH. HARJYOT SINGH BHALLA
DISTRICT JUDGE-03, SOUTH-WEST DISTRICT,
DWARKA COURTS, NEW DELHI

ARBTN 7/2026
M/s Kotak Mahindra Bank Ltd. Vs. Avinash Bhagat

02.02.2026

Present. Sh. Sumit Kumar, 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 security make of **TF_DI_50_OIB_PS, Engine No.3102IL24D1164649F5, Chasis No. GXADJ1168259S3.** It is stated that applicant has proposed appointment of sole arbitrator, details of which are given in the application. That the arbitration clause provides for arbitration at New Delhi and the proposed arbitrator has seat in **South-West District** which falls within the jurisdiction of this court. Thus, in view of the material on record, the application is heard.

2. It is averred in the application that the applicant/petitioner is a banking finance company engaged in the business of providing finance facility by way of vehicle, loan, etc., having its Office at Plot No.7, 3rd Floor, Sector 125, Noida, Uttar Pradesh, 201313 and inter-alia branch Office at Ground Floor, Plot No.34, Sector-23, Dwarka, Delhi-110075. It is, inter alia, engaged in the business of finance for various purposes. Further, vide Power

of Attorney applicant/petitioner company authorized **Sh. Ravindra Tomer,** Authorized Representative 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 made a representation to the applicant company at its office for availing loan facility for purchasing a vehicle. Consequent upon executed a Loan Agreement no.**TFE-11961102 dated 25.07.2022** and a loan of **Rs.5,46,354/-** was sanctioned to the respondent.

4. It is also averred that the respondent undertook to repay the loan amount in **48** installments of **Rs.14,930/-** each spanning from **20.08.2022 to 20.07.2026.**

5. 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 as per the Agreement and he committed willful defaults and as on date there is overdue of **8** installments. For this, the applicant sent a demand notice dated **06.12.2025** to the respondent, calling upon him to clear the dues, but the respondent chose not to respond to the same.

6. It is also averred that the applicant company 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.

7. The applicant has also averred that under **Article 11.16 & 11.17** 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 applicant intends to refer the dispute to arbitration very soon.

8. 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 Representative of the applicant company namely **Sh. Rajiv Kumar, Officer/Executive,** 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 applicant company has also prayed that the Receiver may be allowed to deal with the said vehicle as per the orders/directions of the Arbitral Tribunal.

9. Submissions heard. Record perused.

10. Perusal of record reveals that copy of the Loan Agreement executed between the applicant company and the respondent. **Article 11.16 & 11.17** of the said Agreement pertains to reference to a Sole Arbitrator in case of a dispute. Further, Schedule I lays down the payment modalities.

11. Further, the legal demand notice stated to have been sent by the applicant to the respondent, alongwith the postal

receipt. Copy of the office ID card of the proposed Receiver **Sh. Rajiv Kumar,** Representative of Petitioner has been filed. As per the applicant, the respondent defaulted in the payment of **6** installments. The Statement of Account shows that the total amount receivable from the respondent is **Rs.1,69,405.01/-.**

12. 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."*

13. 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) **Sh. Rajiv Kumar, Officer/Executive,** Representative of Petitioner/ Applicant (as per the copy of the Identity Card), who is stated to be the Recovery Manager of the applicant is hereby appointed as Receiver in the present case to take possession of the vehicle in question **TF_DI_50_OIB_PS, Engine No.3102IL24D1164649F5, Chasis No. GXADJ1168259S3,** 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 through e-filing within seven 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 file the same through e-filing 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, Dwarka 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 the Loan Agreement, if not already referred and for appointment of an Arbitrator within four weeks from today, and inform the Court in writing about the same.

(xvii) The Receiver shall file his report through e-filing 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 in respect of authority to repossess the vehicle for six weeks from today and after that, if not acted upon within that time, this order shall stand vacated on expiry of six weeks from today.

(xxii) If this order is acted upon within the time during it is in force, qua remaining conditions, this order shall remain in force till either the respondent makes the payment of the loan amount or till it is modified by the Ld. Arbitrator during arbitration proceedings or till the termination of the arbitration proceedings, whichever is earlier.

14. Issue notice on the application, as well as, main petition to respondent through all permissible modes, on filing of PF, within 07 days, returnable for **25.03.2026.**

15. Copy of this order be given dasti.

(HARJYOT SINGH BHALLA)
DJ-03, SOUTH-WEST, DWARKA
NEW DELHI/02.02.2026