13.08.2026
Present. Sh. Ajeet Singh, Advocate for the petitioner in Court.
Sh. Sanjeev Pathak, Advocate for the petitioner through VC.

Physical file has been filed.
Heard. Perused.

The present petition has been filed U/s 9 of the Arbitration & Conciliation Act, 1996 r/w section 2 (1) (C) of The Commercial Courts Act, 2015 seeking appointment of a receiver to take possession of the financed vehicle and keep the same in safe custody of petitioner's authorized yard.

Along with the petition, an application has also been filed for passing ex-parte ad interim order for appointment of receiver to take possession of the vehicle make **MARUTI IGNIS, bearing registration No. HR26FA5745, Engine No. K12MN4819901 & Chassis No. MA3NFG81SPA392505.**

The respondent made a representation before the petitioner bank for availing a term loan facility of **Rs. 5,20,000/-** for purchasing the aforesaid vehicle qua which the respondent had **executed agreement bearing no. 106764374 dated 21.03.2023,** upon which the aforesaid loan amount was sanctioned and disbursed to the respondent for purchasing the said vehicle. The said loan was repayable with interest, in total **60** EMIs of **Rs. 10,795/- each** spanning from **03.05.2023 to 03.04.2028**. It is claimed that out of 60 installments, there is overdue of **14** installments. It is further claimed that respondent is under obligation to pay a sum of **Rs. 4,54,970.06** as **foreclosure value on 11.06.2026.** As per the terms of the loan agreement, the respondent hypothecated the said vehicle in favour of the petitioner as a security for repayment of the loan amount. There is an **arbitration clause 13.10** in the agreement between the parties. Counsel for the petitioner submits that till date arbitration proceedings have not been initiated in the present matter and **arbitrator is yet to be appointed**.

It is claimed by Ld. Counsel for the petitioner that there is every possibility that the respondent will conceal and/or dispose of the hypothecated vehicle, in case notice of the present petition is issued to the respondent as the respondent did not pay the amount to the petitioner despite demand and notice and even the respondents were not responding to the request of the petitioner. There appears to be legitimate apprehension on the part of the petitioner that in the event of notice being issued to the respondents, they may proceed to conceal or dispose of the vehicle in question to defeat the recovery.

In the case ***ICICI Bank Ltd Vs Hema Gera FAO-403/2018, 2018 SCC OnLine Del 11489 DOD:14-9-2018***, the Hon'ble High Court of Delhi observed as under:-

> "14. In the verdict of this Court relied upon by the appellant in *Citi Bank N.A Vs. Sudesh Kumar,* **FAO(OS) No.117/2002,** an ex-parte order was granted appointing the receiver for seizure of the vehicle pursuant to a loan scheme

> between the appellant and the respondent wherein the respondent had agreed to make the payment due pursuant to the agreement between the parties with payments to be made in installments, which were not so paid.
>
> 15. Vide the verdict relied upon on behalf of the appellant in ***Citi Bank Vs. Bhupinder Singh,*** FAO No.198/2006 it was observed to the effect that the apprehension on the part of the appellant in the event of notice being issued to the respondent that he may proceed to dispose of the vehicle in question to defeat the suit claim, could not be taken to be unfounded and it was held that there were sufficient grounds for passing the ex-parte order for appointment of the receiver and that it was not proper to decline the relief sought. The legal representative of the company in that case was thus appointed as a Local Commissioner to take over the possession of the vehicle from the respondent or anyone found in possession thereof and to keep the same in his safe custody and not to dispose of the same without the order of the Court and the receiver was also authorized to seek necessary police assistance from the local police".

Hon'ble Delhi High Court in ***ICICI Bank Limited v. Kaptan Singh;*** II (2007) BC 586 and ***ICICI Bank Limited vs. Jal Singh,*** FAO 271/2017 allowed similar prayer made by the plaintiff thereof for appointment of an ex-parte receiver in view of the non-payment of the EMI dues towards the loan agreement.

The apprehension of the petitioner that the respondent would conceal or sell the hypothecated vehicle can not be held to be imaginary in as much as there has been a default in payment amount of about **14 EMIs** by the respondent and the factum that despite the reminder to pay the amount due towards the Equated Monthly Installments, the respondent has failed to do so. The apprehension of the petitioner that the vehicle in possession of the respondent may be misappropriated or sold off on notice can not be held to be merely imaginary.

In view of the material on record and the fact that the respondent after availing loan facility defaulted in paying amounts of **14 EMIs** despite notice, this Court finds it a fit case to grant, by way of interim measure and for protection of the hypothecated property, for securing recovery of the amount recoverable by the petitioner from the respondent, relief regarding appointment of receiver. There is a prima facie case in favour of the petitioner. Balance of convenience also lies in favour of the petitioner. Petitioner is likely to suffer irreparable loss in case the present application is not allowed.

Accordingly, as prayed, **Sh. Nishu Tyagi, Collection Manager of the petitioner,** is appointed as "Receiver" to take possession of the aforementioned vehicle, subject to the following terms & conditions :-

(i)That the receiver is directed to first give offer to the respondent for making payment of defaulted outstanding amount before seizure of the vehicle;

(ii)That if the respondent makes payment of the defaulted outstanding amount as on 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 payment of future monthly installments, and a declaration not to part with the vehicle or create third party interest in the vehicle until the entire amount is paid;

(iii)That the receiver, while taking possession of the vehicle will ensure that due courtesies are extended to the respondent.

(iv)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 running vehicle to bring it to a halt to take its possession.

(v)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 or if there are passengers in the vehicle.

(vi)The receiver shall also ensure that the repossession of the vehicle does not result in any breach of the peace. In the event of any breach of peace by the person occupying the vehicle, the receiver shall not proceed without assistance of police.

(vii)That if the respondent is not in a position to clear the entire outstanding amount, the receiver shall give him another opportunity to pay the outstanding amount within 15 days of taking over the possession of the vehicle and in case the respondent makes the payment of the outstanding amount within the said period, the receiver shall release the vehicle to the respondent subject to an undertaking as aforementioned;

(viii) That the receiver may take the police aid, if required. This order itself would amount to a notice/directions to the SHO of the concerned area to provide the requisite assistance to the receiver for repossession of the vehicle.

(ix) That the receiver shall issue appropriate receipt to the person from whose custody he takes the vehicle and will also note therein the condition of the vehicle.

(x) That at the time of taking custody of the vehicle, the receiver will take the photographs of the vehicle from different angles and shall ensure that the vehicle is kept in same condition in which it was seized.

(xi)That the receiver shall prepare an inventory of the goods/accessories found in the vehicle and shall furnish the copy of the inventory to the person from whom the vehicle is seized.

(xii)The receiver shall submit his report before this Court within four weeks alongwith the photographs and inventory mentioned above.

(xiii) The receiver shall also be bound to produce the vehicle in the court as and when required.

The above mentioned application seeking ex-parte interim order bearing IA No. 1/26 is accordingly disposed of.

Issue notice of the petition to the respondent by all permissible modes, returnable for 14.09.2026, on taking steps within 03 working days. Dasti.

MANJUSHA WADHWA

Digitally signed by MANJUSHA WADHWA
Date: 2026.08.13 14:52:09 +0530

(Manjusha Wadhwa)
District Judge (Commercial Court)-01
West, Tis Hazari Courts, Delhi/13.08.2026(a)