

IN THE COURT OF Sh. RAJESH KUMAR GOEL
DISTRICT JUDGE (COMMERCIAL COURT) -02,
CENTRAL, TIS HAZARI

OMP (I)(Comm) 194/2025
CNR No. DLCT010028182025

IN THE MATTER OF :

HDFC Bank Ltd.

Having its Office at:-
Ground Floor Gulab Bhawan
Bahadur Shah Zafar Marg No.6
New Delhi 110002

..... **Petitioner**

Vs

Sumit Gaur

s/o Sh. Ram Kumar
Village Jajru Jajru 52, Sagarpur,
Faridabad-121004

..... **Respondent**

ORDER

22.05.2025

1. Vide this order, I shall dispose off the present petition filed under section 9 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as 'Act' in short) praying for appointment of receiver to take possession of vehicle Chassis Body make **Tata Altroz 1.2 XE P MT**, having Engine No. **REVTRN10XXMK8548**, Chassis No. **MAT632101NPN10576** (*hereinafter referred to as 'equipment/vehicle in question'*).

2. Briefly stated, the facts of the case as made out from the petition filed under section 9 of the Act are that petitioner is a banking company incorporated under the Companies Act 1956 and is engaged, inter-alia, in the business of rendering financial/credit facilities, in the form of loan, etc to the intending borrowers; respondent applied for loan for the purpose of purchasing the equipment/vehicle in question; the petitioner acceding to the said request of the respondent sanctioned and disbursed a loan in the sum of **Rs. 4,93,344/-** vide a written Vehicle Loan Cum Hypothecation Agreement bearing No. **137211803** dated **22.12.2022** duly concluded between the petitioner and the respondent.

3. It is further averred that respondent having availed the afoesaid loan facility, received the delivery of the said vehicle in question and as per the terms and conditions of the agreement, the vehicle in question was hypothecated in favour of the petitioner company and the respondent was bound by the terms and conditions of the said agreement.

4. It is averred that as per the terms and

conditions, the respondent was bound to repay the said loan amount, alongwith interest thereupon, in equated monthly instalments of **Rs. 8,148/-** each and in the event of any default, to pay the overdue interest and other charges; the respondent was liable to repay the loan amount in total 84 EMIs but they have paid only 20 EMIs; as per the statement of account, last payment was made by the respondent on **07.11.2024**.

5. It is further averred that the respondent has failed to make the payments, as per the schedule as agreed to, between the parties hereto; as such the petitioner was constrained to recall the loan facility extended to the respondent, vide Legal Notice dated **10.01.2025**, served upon the respondent.

6. According to the petitioner, as per the terms and conditions of the Loan Agreement, duly executed between the parties, it was specifically agreed that any dispute arising out or or in connection with the said loan facility, shall be referred to and resolved by Arbitration, in accordance with the provisions of the Arbitration and Conciliation Act, 1996; as the respondent has failed to comply with the terms & conditions of the

loan facility, and further failed to respond and/or comply with the Legal notice dated **10.01.2025**, as such dispute has arisen between the parties and the petitioner is in the process of initiating Arbitration proceedings.

7. It is therefore prayed that to protect the interest of the petitioner, a receiver may be appointed to enable the petitioner to take possession of the said vehicle in question entrusted to the respondents, as the same is the subject matter of the Arbitration.
8. Notice of the present petition was given to the respondent. Ld. Counsel for the petitioner has already filed the affidavit of service alongwith tracking report indicating the service on the respondent and the certificate u/s 63 of BSA,2023. Despite service, respondent failed to appear before the court, accordingly, respondent is being proceeded exparte.
9. Ld. Counsel for the petitioner submitted that respondent is not appearing before this court deliberately despite service. She submitted that now, respondent is in default of more than 6

continuous installments. She further submitted that in case the vehicle in question is not taken into possession by the Receiver, to be appointed by this court, the petitioner would suffer irreparable loss.

10. I have heard the Ld, counsel for the petitioner and have also gone through the record.

11. In the case of *New Morning Start Travels vs Volkswagen Finance Pvt. Ltd., AIR OnLine 2020 Del 1809* regarding standards to be adopted for grant of interim measures under section 9 of the Act, Hon'ble High Court observed as under:-

“12. The standards to be adopted for grant of interim measures under [Section 9](#) of the Act are akin to the standards that are applied for grant of interim injunction under Order XXXIX Rules 1 and 2 [CPC](#) and for appointment of a Receiver under [Order XL CPC](#). The disposal of [Section 9](#) petitions without even hearing the Respondent is contrary to all settled tenets. Moreover, the grant of ex-parte injunctions, ex-parte interim measures or appointment of Receivers at the ex-parte stage would be governed by principles akin to [Order XL CPC](#) wherein there has to be a grave and imminent apprehension that the property would not be able to be retrieved if notice is issued. The appointment of Receivers at the ex-parte stage in matters such as vehicle loans ought to satisfy the test of imminent threat. The Court also ought to come to a conclusion that there was a deliberate intention not to repay the loan. Thus, out of the total instalments due and payable, the Court has to see the conduct of the borrower

including the irregularity of payment, the total amounts paid till date, any other extenuating or other factors such as the present pandemic which could justify non-payment etc. The appointment of a Receiver to take possession at the ad-interim stage could lead to the buses which are being used for the everyday business of the Petitioner being seized by the finance company, thereby causing the Petitioner's business activities to come to a grinding halt. The standard that would be required to be satisfied for such an extreme measure should be high. Moreover, disposal of a [Section 9](#) petition on the first date itself would be contrary to the basic principles that govern the adjudication of such petitions.”

12. Adverting to the case in hand, prima facie, it has come on the record that the petitioner disbursed a loan in the sum of **Rs 4,93,344/-** to the respondent, vide a Vehicle Loan Cum Hypothecation Agreement bearing No.137211803 dated 22.12.2022 duly concluded between the petitioner and the respondent but the respondent failed to comply with the terms & conditions of the said loan facility, and further failed to respond to the legal notice dated 10.01.2025.

13. It has also come on the record that the respondent, despite the service of the notice of the present petition, neither paid the outstanding amount nor handed over the possession of the equipment/vehicle in question.

14. From the circumstances, as narrated in the

petition, it appears that there is a deliberate intention on the part of the respondent not to repay the outstanding amount to the petitioner. Thus, the petitioner has been able to make out a *prima facie* case in its favour and balance of convenience also rests in favour of the petitioner. Since, there is a grave and eminent apprehension that the respondent may dispose of the equipment/vehicle in question in order to defeat the claim of the petitioner and same may not be able to be retrieved, therefore, if the prayed made by the petitioner is not acceded to, the petitioner may suffer irreparable loss.

15. In the given facts and circumstances and in the interest of justice, **Ms. Sonia Ramkishan** , AR of the petitioner, is appointed as receiver to take the custody of equipment/vehicle Chassis Body make **Tata Altroz 1.2 XE P MT**, having Engine No. **REVTRN10XXMK8548**, Chassis No. **MAT632101NPN10576** wheresoever in whom so ever possession it is found subject to the following :

(i.) The receiver shall take over the possession of the equipment/vehicle in question from the respondent(s) 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 a car to bring it to a halt to take its possession.

(ii.) 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.

(iii.) The receiver shall be at liberty to take the assistance of the local police, if required, for taking over possession of the vehicle. The concerned SHO shall provide assistance to the receiver as and when requested.

(iv.) 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.

(v.) 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.

(vi.) At the time of taking the custody of the vehicle, the receiver shall take the photographs of the vehicle from different angles along with the person (s) occupying the vehicle as well as the place of taking over the possession.

(vii.) 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.

(viii.) After taking the vehicle in possession, the receiver shall keep the vehicle in safe custody.

(ix.) If the respondent(s) make payment of the outstanding installments as on date of possession, the receiver shall release the vehicle in question to the respondent(s) on superdari subject to an undertaking by the respondent(s) 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.

(x.) If the respondent(s) 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(s) makes the payment of the outstanding installments within the said period, the receiver shall release the vehicle to the respondent(s) subject to an undertaking as aforementioned.

(xi.) If the respondent(s) does not make the payment of the outstanding amount to the petitioner within 60 days, the receiver, with the prior permission of the arbitrator, would be authorised to sell the vehicle in question in 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 respondent may also be able to participate in the action to enable the appellant 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 alongwith his final report. The respondent(s) shall be at liberty to participate in the Auction proceedings and to complete all formalities of the Auction including bidding in the auction.

(xii.) The receiver shall submit his interim report before this Court within 10 days of taking the custody of the vehicle alongwith the photographs and inventory mentioned above and if the vehicle is sold in the Auction then the Receiver shall also submit final report within a period of 10 days from the Auction.

(xiii.) The petitioner is directed to take appropriate steps for initiation of arbitral proceedings against respondent within 90 days from today in term of Section 9(2) of the Arbitration and Conciliation

(Amendment) Act, 2015 failing which the above order shall stand vacated.

16. The petitioner shall strictly comply with the conditions, as stated herein above, imposed by this court.
17. The aforesaid order being interim in nature, it is made clear that this court has not adjudicated any liability of the respondent. The liability, if any, has to be adjudicated in accordance with law by the Arbitrator to be appointed in accordance with law.
18. The copy of this order be given dasti to counsel for petitioner, as prayed for.
19. File be consigned to record room, after due compliance.

(Rajesh Kumar Goel)
District Judge (Commercial)-02
Central, Tis Hazari Courts
22.05.2025

Announced in the Open Court
today i.e: 22.05.2025