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**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
IN ITS COMMERCIAL DIVISION**

COMM ARBITRATION PETITION NO.244 OF 2026

IIFL Finance Limited	... Petitioner
V/s.	
Aqua Pure & Perfect Chemicals & Another	... Respondents

Mr. Jitesh Mundhwa with Ms. Shital Londhe and Ms.
Varsha Singh for the petitioner-IIFL.

CORAM : AMIT BORKAR, J.

DATED : JULY 2, 2026

P.C.:

1. The present petition has been filed under Section 9 of the Arbitration and Conciliation Act, 1996. By this petition, the petitioner is seeking interim reliefs against the respondent pending the commencement of arbitration proceedings.

2. The case of the petitioner, in brief, is that the respondent was in need of financial assistance for expanding its business and for obtaining a term loan. For that purpose, the respondent approached the petitioner by submitting an online application seeking financial help. After considering the request made by the respondent and after discussions between the parties, the petitioner agreed to grant a business term loan. Accordingly, a loan facility of a maximum amount of Rs.25,00,000/- was sanctioned in

favour of the respondent on the terms and conditions contained in the loan agreement executed between the parties.

3. After execution of the loan agreement, the petitioner disbursed the loan amount to the respondent in accordance with the agreed terms. Under the loan agreement, the respondent was required to repay the loan in monthly instalments. Each instalment was to include interest calculated on the reducing balance of the loan together with a part payment towards the principal amount.

4. According to the petitioner, the respondent initially made repayments for a few months. However, thereafter the respondent stopped making the payments as required under the loan agreement. Because of this failure, the respondent committed default in repayment of the loan. The petitioner states that several requests and reminders were given to the respondent to clear the outstanding dues. In spite of those requests, the respondent failed to make the necessary payments.

5. As a final attempt before taking legal action, the petitioner, through its Advocates, issued a demand notice calling upon the respondent to pay an amount of Rs. 8,13,283/- which was stated to be outstanding as on 1 January 2026, within seven days from the date of receipt of the notice. Even after receiving the notice, the respondent did not make the payment or comply with the demand made therein. The petitioner has also placed on record the foreclosure statement and the statement of account showing the amount alleged to be due and payable by the respondent.

6. The petitioner submits that, in view of Clauses 12 and 13 of

the loan agreement, an Event of Default has occurred. According to the petitioner, it has therefore become entitled to enforce the terms of the agreement and to take appropriate steps for recovery of the outstanding amount. It is the petitioner's case that, as on 22 December 2025, the respondent is liable to pay a sum of Rs. 8,13,283/- under the loan facility.

7. The petitioner further contends that the respondent has failed to perform its obligations under the loan agreement as well as the other transaction documents. It is also stated that the petitioner has reason to believe that the respondent does not intend to honour those obligations and is attempting to dispose of or transfer its assets. According to the petitioner, if such transfers are permitted, recovery of the outstanding dues may become difficult and the petitioner may suffer serious loss. On this apprehension, the present petition has been filed seeking urgent interim protection under Section 9 of the Arbitration and Conciliation Act, 1996.

8. Though the respondents were duly served with notice of the present proceedings, none appeared on their behalf.

9. I have considered the pleadings, the documents placed on record and the submissions made on behalf of the petitioner. Since none has appeared for the respondent despite service, this Court has examined the material available on record with due care. At this stage, the Court is not expected to decide the disputes between the parties. However, it is required to see whether the petitioner has shown a prima facie case for grant of interim

protection on the basis of the available material.

10. Clause 26 of the loan agreement contains an arbitration clause agreed between the parties. From the documents placed on record, it appears that both sides had accepted that any dispute arising out of the loan transaction would be referred to arbitration. Therefore, at this stage, it cannot be said that there is no arbitration agreement between the parties. Since the agreement itself provides for resolution of disputes through arbitration, the petitioner is entitled to invoke the jurisdiction of this Court under Section 9 of the Arbitration and Conciliation Act for seeking interim protection before the Arbitral Tribunal is constituted.

11. It is also not in dispute that the petitioner has already issued a recall notice calling upon the respondent to repay the entire outstanding loan amount. The petitioner has placed a copy of the said notice on record. Despite such notice, there is nothing on record to show that the respondent has cleared the dues or replied disputing the demand. Though the mere issuance of a recall notice may not by itself establish the entire claim of the petitioner, it does indicate that the petitioner has called upon the respondent to make payment before approaching this Court.

12. The statement of account produced along with the petition also shows the amount which, according to the petitioner, remains due and payable from the respondent. At this stage, the Court is not required to examine the correctness of every entry in the statement of account or determine the liability. Those issues can be examined in the arbitral proceedings after both sides place their

evidence. However, for the limited purpose of considering interim relief, the statement of account provides prima facie support to the petitioner's claim that some amount is stated to be outstanding against the respondent.

13. The petitioner has further made a statement on oath that the respondent is attempting to transfer or alienate its assets. Such statement has been made in the petition after verification by the petitioner. Though this allegation will have to be examined in before the learned Arbitral Tribunal if disputed, at this stage there is no material placed by the respondent to contradict the said assertion, as the respondent has chosen not to appear. If the assets are transferred during the pendency of the dispute and the petitioner succeeds in arbitration, recovery of the awarded amount may become difficult. Therefore, such apprehension expressed by the petitioner cannot be ignored while considering the prayer for interim protection.

14. Having considered the pleadings and the documents placed on record, I am of the opinion that the petitioner has made out a prima facie case for grant of interim protection in terms of prayer clause (e). The balance of convenience also appears to be in favour of granting such relief. Accordingly, the petition can be disposed of by passing the following order:

- (a) The respondent shall comply with prayer clause (e) of the petition;
- (b) The petitioner shall take necessary steps for constitution of the Arbitral Tribunal within a period of ninety

days from today.

15. The arbitration petition is accordingly disposed of in the above terms. There shall be no order as to costs.

(AMIT BORKAR, J.)