IN THE HIGH COURT OF JUDICATURE AT MADRAS

Orders Reserved on : 17.11.2025
Pronouncing orders on : 20.11.2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

ARB O.P(COM.DIV.) NO. 687 OF 2025
AND OA Nos. 978 to 982 of 2025
AND
ARB APPLN NO. 1497 OF 2025,ARB APPLN NO. 1498 OF 2025,ARB APPLN NO. 1342 to 1344 OF 2025

ARB O.P(COM.DIV.) NO. 687 OF 2025
Monexo Fintech Private Limited
Represented by its Authorized Signatory,
Mr.Sundar M,
Previously at No.65, Velachery Main Road,
Little Mount, Saidapet, Chennai - 600 015,
Having its registered office now at
1D Apex Plaza, No.77, Nungambakkam High Road, Chennai - 600 034.

Petitioner(s)

Vs

Grameen Shakti Microfinance Services Pvt Ltd
Represented by its Director
13/2, Ashutosh Chatterjee Road,
Kolkata, West Bengal 700 031.

Respondent(s)

PRAYER Petition filed under Section 11(6) of the Arbitration and Conciliation Act, 1996, praying to appoint an arbitral tribunal, in accordance with the provisions of the Arbitration and Conciliation Act, 1996 to adjudicate upon the disputes/ differences between the Petitioner and the Respondent under the Business Correspondent Agreement dated 29.07.2021 and direct the Respondent to pay the costs of this proceeding.

O.A.NOS. 978 to 982 OF 2025
Monexo Fintech Private Limited
Represented by its Authorized Signatory,
Mr.Sundar M,
Having its office at
1D Apex Plaza, No.77, Nungambakkam High Road, Chennai - 600 034.

Applicant(s)
in all O.As

Vs

Grameen Shakti Microfinance Services Pvt Ltd
Represented by its Director
13/2, Ashutosh Chatterjee Road,
Kolkata, West Bengal 700 031.

Respondent(s)
in all O.As

PRAYER in O.A.No.978 of 2025: Petition filed under Section 9(1)(ii)(d)(6) of the Arbitration and Conciliation Act, 1996, praying to pass an order of interim injunction restraining the Respondent, or any of its men, agents or servants, from in any manner utilising, transferring, encumbering, or dealing with the amounts collected by the Respondent from the Applicant's borrowers in terms of the BC Agreement, save and except by remitting the same to the Applicant.

PRAYER in O.A.No.979 of 2025: Petition filed under Section 9(1)(ii)(d)(6) of the Arbitration and Conciliation Act, 1996, praying ought not grant an interim injunction restraining the Respondent, or any of its men, agents or servants, from making any withdrawals, payments or transfers from No.10160001342609 maintained by the Respondent with the Bandhan Bank Limited, Rash Behari Avenue Branch, located at 148, Rash Behari Avenue, Opposite Priya Cinema, Kolkata 700 029.

PRAYER in O.A.No.980 of 2025: Petition filed under Section 9(1)(ii)(d)(6) of the Arbitration and Conciliation Act, 1996, praying ought not grant an interim injunction restraining the Respondent, or any of its men, agents or servants, from making any withdrawals, payments or transfers from No.42019158613 maintained by the Respondent withthe State Bank of India, Gariahat Branch, located at 12 4E, Gariahat Road, South, Kolkata, West Bengal 700 031.

PRAYER in O.A.No.981 of 2025: Petition filed under Section 9(1)(ii)(d)(6) of the Arbitration and Conciliation Act, 1996, praying ought not grant an interim injunction restraining the Respondent, or any of its men, agents or servants, from making any withdrawals, payments or transfers from No.41740259070 maintained by the Respondent with the State Bank of India, Gariahat Civic Centre Branch Located at 1/48, Gariahat Road South, Dhakuria, Jodhpur Park, Kolkata, west Bengal 700 068.

PRAYER in O.A.No.982 of 2025: Petition filed under Section 9(1)(ii)(d)(6) of the Arbitration and Conciliation Act, 1996, praying ought not grant an interim injunction restraining the Respondent, or any of its men, agents or servants, from making any withdrawals, payments or transfers from Account No.00000041541717471 maintained by the Respondent withthe State Bank of India, SME Burdwan, Branch located at Municipal Market, Burdwan, West Bengal 713 147.

For Petitioner(s): Mr.Rahul Balaji for

in all OAs	Ms.Anusha Peri
For Respondent(s): in all OAs	Mr.Arik Banerjee for Mr.Rajib Mullick and Mr.M.S.N.Niranjan

ORDER

O.A.Nos.978 to 982 of 2025 have been filed under Section 9 of the Arbitration and Conciliation Act, 1996 (for the sake of brevity, hereinafter referred to as ' the Act') seeking for various interim protections.

2.Arb.O.P.(Comm.Div.)No.687 of 2025 has been filed under Section 11(6) of the Act for appointment of an Arbitral Tribunal to adjudicate the disputes/differences between the petitioner and the respondent under the Business Correspondent Agreement dated 29.07.2021.

3.Heard the learned counsel for the petitioner and the learned counsel appearing on behalf of the respondent.

4.The applicant/petitioner has filed these applications mainly on the ground that the applicant is a Peer-to-Peer (P2P) lending platform operating under the applicable RBI Regulations and it enables investors/lenders to extend loans to borrowers through its platform. For the purpose of servicing such loans, the respondent was engaged by the applicant to *inter alia* source customers, originate loans, process loan applications and related documents, collect repayment and service the applicant's financial products pursuant to a

Business Correspondent Agreement dated 29.07.2021.

5.Certain disputes had arisen between the applicant and the respondent under the Agreement and therefore, the applicant has filed the applications under Section 9 seeking for certain interim reliefs pending the Arbitral proceedings.

6.The actual dispute according to the applicant is that under Clause 4.3 of the Agreement, the respondent was obligated to ensure that all payments due and payable by the borrowers were collected and remitted to the applicant in the designated account every month, failing which, the respondent will be liable to pay interest at the rate of 26% per annum to the applicant on the amounts due.

7.The further case of the applicant is that from October 2024, the applicant noted and raised various discrepancies in the remittances from the respondent. An audit was conducted in accordance with the Agreement and it was found that the respondent had collected substantial sums of money from various borrowers in respect of 569 loans, but however, failed to remit such sums to the applicant and it is shown that those 569 loans were still open/active in the books of accounts of the applicant and whereas, it was reflected as closed in the books of accounts of the respondent. The total liability in respect of these loans as on 21.09.2015 stood at Rs.48.53 Lakhs, which includes the accrued interest. Even though, this was informed to the respondent through e-mail dated 07.05.2025, the respondent did not remit the principal or the interest.

8.It was also noticed that similar discrepancies were available in another set of 26 loans where the principal outstanding as per the books of accounts of the respondent was Nil, but insofar as the applicant is concerned, there was an outstanding of Rs.3.41 Lakhs towards principal. The total liability towards these loans was Rs.4.35 Lakhs as on 21.09.2025, including accrued interest.

9.Apart from the above, the audit also revealed that in relation to another set of 1194 loans, there were serious discrepancies between the principal outstanding in the respondent's books of accounts and the applicant's books of accounts. It was found that a sum of Rs.61.71 Lakhs had been collected by the respondent but not remitted to the applicant. Towards this, a total of Rs.91.98 Lakhs was the total liability up to 21.09.2025. It was also noticed that in another set of 1363 loans, there was a principal outstanding balance of 1.80 Crores in the books of accounts of the applicant. The respondent was expected to collect the outstanding amount along with interest from the borrowers and the respondent has been collecting repayments in respect of these loans but has withheld the details of collections made after 10.04.2025.

10.All the above discrepancies were informed by the applicant to the respondent and an attempt was made by both the parties to amicably resolve the dispute in a meeting held on 09.05.2025, where it is alleged by the applicant that the respondent had admitted a liability of a sum of Rs.41.07 Lakhs towards outstanding principal amount but did not remit this amount. Thereafter, various calls/meetings were scheduled but the respondent did not attend the same.

11.According to the applicant, as on 21.09.2025, the respondent was liable to pay a sum of Rs.144.86 Lakhs in respect of 1789 loans. With respect to the remaining loan accounts, the sums remain due and recoverable from the borrowers. The applicant sought to recover the amounts due and payable by enforcing the lien marked in its favour through e-mail dated 12.02.2025. The bank informed the applicant that the Fixed Deposits had already expired and no instructions were given by the respondent to renew any lien in favour of the applicant.

12.A Notice under Section 21 of the Act was issued on 22.09.2025, invoking the Arbitration Agreement in Clause 21 of the Business Correspondent Agreement dated 29.07.2021.

13.There are multiple disputes between the parties on the repayment of collections, remittances and enforcements of security and the applicant apprehends that if the interim protection is not granted, the applicant may not be able to recover the dues in respect of 2557 loans that were disbursed to various borrowers. It is under these circumstances, the applications have been filed under Section 9 of the Act seeking for interim protection and a petition has also been filed under Section 11 (6) of the Act for appointment of an Arbitrator.

14.The respondent has taken a stand that the entire claim made by the applicant is based on a so-called audit and at no point of time, the respondent had consented for any joint audit and even the audit report has not been placed before this Court. Apart from that, the interim protection that has been sought for by the applicant is in the nature of security and there are absolutely no averments in the affidavit in strict compliance with Order XXXVIII Rule 5 of C.P.C. Even if the statement made by the applicant is taken to be correct, the amount that is due and payable to the applicant from the respondent will come to Rs.20,19,727.95/-. It is not the case of the applicant that the respondent does not have the financial wherewithal.

15.The respondent has relied upon various clauses under the Agreement and has denied the claim made by the applicant. In fact, the respondent is making a counter claim as against the applicant.

16.This Court heard the learned counsel appearing on either side for some time and this Court felt that since the petition has already been filed under Section 11 of the Act for appointment of an Arbitrator, all these applications can be placed before the Sole Arbitrator to be dealt with under Section 17 of the Act. It is not necessary for this Court to spend its time deciding all these applications and the parties can very well be referred to the Sole Arbitrator to agitate the dispute. By resorting to this process, the rights of both sides are kept intact and this Court consciously did not want to deal with the merits of the case. Hence, all the grounds raised in these applications and the defence that has been taken by the respondent can be put forth before the Sole Arbitrator which will be dealt with on its own merits and in accordance with law.

17.Insofar as the appointment of Sole Arbitrator is concerned, both sides consented for the appointment of Mr.Ratananko Banerji, Senior Advocate as the Sole Arbitrator. Hence, this Court appoints **Mr.Ratananko Banerji, Senior Advocate, No.23, Chakraberia Lane, Kolkata 700020 [Mobile:98300 31622]** as the Sole Arbitrator. Both parties have consented for the venue of Arbitrator at Kolkata. Therefore, the Arbitrator is requested to enter upon reference, adjudicate the arbitral disputes that were arising between the parties by holding the sittings in any venue in Kolkata to the convenience of all concerned and render an award. Fees of the sole Arbitrator shall be in accordance with the Madras High Court Arbitration Centre (MHCAC)(Administrative Cost and Arbitrator's Fees) Rules 2017.

18.The applications that have been filed by the applicant under Section 9 of the Act shall be placed before the Sole Arbitrator, which will be decided under Section 17 of the Act after hearing both sides.

19.All the above Original Applications and Original Petition are disposed of in the above terms. Consequently, all the arbitration applications are closed. No Costs.

20-11-2025

Index:Yes/No
Speaking/Non-speaking order
Internet:Yes
Neutral Citation:Yes/No
ssr

To

Monexo Fintech Private Limited
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N.ANAND VENKATESH J.

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