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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 21.11.2025

CORAM:

THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

Arb.O.P.(Com.Div.)No.747 of 2025

and

A.No.5805 of 2025

M/s.Eco Garb
Having registered office at
No.5/1, Annasamy Lane
Chennai-600 002
Represented by its Managing Partner
Srinivasa R.

... Petitioner

Vs.

M/s.SIA 'Green Fields'
Having registered office at
Rupniciba iela 7-13 Riga LV-1010
Latvia, Rep. by its Authorised Signatory
Mr.N.Balakrishnan

...Respondent

Prayer: The Original Petition filed under Section 34(2)(a)(ii) of the Arbitration and Conciliation Act, 1996, to set aside the award dated 19.03.2025 in the matter arising out of purchase agreement No.8 of 2019 dated 16.08.2019 by the sole Arbitrator K.P.Sivasubramanian (Redt) 47, Pulla Avenue, Shenoy Nagar, Chennai-600 030 and to direct the respondent to pay



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the cost of the petition.

For Petitioner : Mr.D.Ashok Kumar
For Respondent : Mr.M.V.Swaroop

ORDER

This petition has been filed challenging the award passed by the sole Arbitrator dated 19.03.2025 under Section 34 of the Arbitration and Conciliation Act, 1996 (Act No.26 of 1996) [hereinafter "A and C Act" for the sake of brevity, convenience and clarity].

2. The respondent / claimant, a limited liability company was engaged in the sale of waste processing machinery and equipment at Latvia and the petitioner is a partnership firm engaged in the business of waste management, having its office at Chennai. They entered into negotiation which culminated in a purchase agreement dated 16.08.2019. The petitioner undertook to pay an initial installment of 45,000 Euros within a time frame and what was received is only 39,945 Euros on 06.12.2019, nearly 113 days after purchase agreement.

3. In spite of the delay, the respondent claimant entered into an



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arrangement with a contractor. The respondent also began preparation for shipment within 30 days after receipt of advance payment. According to the respondent, the shipment from the premises of the respondent to the premises of the petitioner was the sole responsibility of the petitioner. Six loaded containers were delivered to the port in Latvia between 20.01.2020 to 29.01.2020 and Customs formalities were completed on 29.01.2020. On transfer of possession, the petitioner was obliged to make payment of balance amount of 1,40,055 Euros in terms of clause 2 of the agreement. According to the respondent, the petitioner did not pay even a single installment in spite of constant reminders. Apart from that, the equipment that was supplied by the respondent was utilized by the petitioner in several projects and it was not even available with the petitioner.

4. In view of the above, there was violation of the terms of the contract and hence, the dispute was referred to the sole Arbitrator. The respondent sought for a direction to the petitioner to pay 1,40,055 Euros along with interest at the rate of 18% per annum from the date on which the petitioner took possession of the equipment. In the alternative, the respondent also



WEB COPY

sought for repossession of the equipment and to direct the petitioner to pay lease rental at the rate of 20,000 Euros per month from 29.01.2020 till the date of repossession along with with interest.

5. The petitioner denied the claims made by the respondent and alleged that defective equipments had been supplied. The petitioner also made a counter claim to the tune of Rs.60,12,267/- along with the interest at the rate of 18% per annum.

6. Based on the pleadings, the sole Arbitrator framed the following issues:

"1. Whether the Settlement Agreement dated 22.02.2023 superseded the earlier agreement dated 16.08.2019 and whether the agreement dated 16.08.2019 ceases to exist and cannot be enforced under the present arbitral proceeding?

2. Whether the respondent has violated the terms of agreement dated 16.08.2019?

3. Whether the claimant is entitled for the reliefs prayed for under para 47(a), (b), (c) of the claim statement?

4. Whether the claimant is entitled for alternative relief prayed for under para 47(d) of the claim statement?

5. Whether the employer of the respondent were not paying



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the due to the respondent and the respondent lost the contract with their employer and whether the respondent is entitled to raise it as a defence for non payment of dues from the claimant?

6. Whether the machineries / equipments supplied by the claimant are defective and sub standard?

7. Whether the respondent is entitled to various counter claims raised by them?

8. Whether the subsequent events of the claimant having taken repossession of the machineries / equipments pursuant to the order of the High Court in Arb.Application Nos.393 and 394 / 2023 dated 12.09.2023 will have any impact on the prayer as made by the claimant in their claim statement and whether the prayers / alternative prayers as made in the claim statement are sustainable consequent upon the subsequent events?

9. Are the parties entitled to the rate of interest as claimed by them with reference to the claims / counter claims?

10. To what relief the parties are entitled to?"

7. An amendment was made to the pleadings and hence, the following additional issues were framed by the sole Arbitrator:

"1. Whether Ex.R6 is liable to be declared as null and void and inadmissible in evidence and whether the direction has



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to be issued to the respondent to file the original partnership with the existed at the time of entering into the purchase agreement dated 16.08.2019?

2. Whether the claimant is bound to refund the advance amount of 40,000 Euros as a result of the claimant having repossessed the machineries to the respondent?"

8. The respondent / claimant examined C.W.1 and marked Ex.C1 to Ex.C24. The petitioner examined R.W.1 and marked Ex.R1 to R2.

9. The sole Arbitrator, based on the pleadings and appreciation of evidence, passed a final award on 19.03.2025 in the following terms.

"1. The claimant is entitled to the balance sale consideration of Rs.1,32,75,225/- (Rupees One Crore Thirty Two Lakhs Seventy Five Thousand Two Hundred and Twenty Five Only) being equivalent to Rs.1,40,055 Euros as per today's exchange rate at Rs.94.5

2. The claimant is entitled to interest at the rate of 9% p.a. on Rs.1,32,75,225/- from 29.01.2020, till this date.

3. The amounts mentioned in clause 1 and 2 above, shall be paid within a period of two months from this date, failing which interest shall be payable at the rate of 18% p.a. on Rs.1,32,75,225/- from this date till the date of realization.

4. The counter claims are rejected.



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5. *As far as the equipments are concerned, in terms of the order of the Hon'ble High Court dated 30.10.2023 in Arb.Appln.Nos.393 and 394 of 2023, they are deemed to be vested in the possession of the respondent. It will be open to the respondent to take possession of the equipments forthwith and will be free to use them or dispose them by sale as they wish.*

6. *However, the rights of usage or sale of the equipments by the respondent as mentioned in clause 5 above, shall be available only after the respondent complies with clauses 1, 2 and 9.*

7. *The claimant is not entitled to any rental charges as claimed under para 47(e) of the Amended Claim Statement dated 1.5.2023.*

8. *The Deed of Rectification (Ex.R6 - dated 1.07.2019) is declared as an abuse of process of law and not acted upon by the partners insofar as the purchase agreement dated 16.08.2019 is concerned and held to be inoperative and invalid against the purchase agreement dated 16.08.2019. Hence, all the partners prior to 1.07.2019, inclusive of R.Srinivasan are jointly, severally and individually liable for this Award.*

9. *The respondent shall pay a sum of Rs.6,44,000/- to the claimant towards the costs of this arbitral proceedings."*



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10. Aggrieved by the above award, the present petition has been filed before this Court under Section 34 of A and C Act.

11. Heard the learned counsel for the petitioner and the learned counsel for the respondent.

12. The main ground that was urged by the learned counsel for the petitioner is that the petitioner did not even make any payment for two years after the supply of the equipment and that itself will show that the equipment that was supplied to the petitioner was defective. Apart from that, the learned counsel also pointed out that certain findings rendered by the sole Arbitrator which according to the learned counsel for the petitioner are perverse and suffer from patent illegality.

13. The main issue that was dealt with by the sole Arbitrator is, as to whether the petitioner had violated the terms of the agreement dated 16.08.2019. The answer to this issue will virtually take care of all the other issues that were framed by the sole Arbitrator, since those issues were only consequential to the main issue.



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14. The sole Arbitrator, on considering various claims under the agreement and on carefully considering the evidence, came to a conclusion that there was failure on the part of the petitioner to pay the advance amount in time. The sole Arbitrator also came to a conclusion that the petitioner did not make the payment on installments as per clause 2.3 of the agreement. The sole Arbitrator also came to the conclusion that there was an admitted liability on the side of the petitioner and even this admitted amount as per the settlement agreement was not paid to the respondent.

15. In the light of the above findings, the sole Arbitrator came to the conclusion that it is only the petitioner, who had violated the terms of the agreement dated 06.08.2019.

16. After reaching the above conclusion, the sole Arbitrator proceeded to examine the individual claims made by the respondent and counterclaims made by the petitioner and came to the conclusion that the respondent claimant is entitled for the balance sale consideration of 1,40,055 Euros with an exchange rate at Rs.94.5 per Euro together with interest at the rate of 9% per annum from 29.01.2020 till the date of the award and at the rate of 18%



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per annum from the date of the award till the date of realization. The counterclaims were rejected. The petitioner was also held to be entitled to take possession of the equipment subject to certain conditions, after complying with clauses 1, 2 and 9 of the agreement.

17. The conclusions arrived at by the sole Arbitrator are based on appreciation of evidence and it is a possible view taken by the sole Arbitrator on the clauses available in the contract between the parties. Thus, the award does not suffer from any perversity or patent illegality. In fact, in the entire petition, the petitioner has not even raised a single ground to establish that the award fall within any of the pigeon holes available under Section 34 of the A and C Act and as illustrated by the Apex Court in ***Ssangyong Engineering and Construction Company Limited Vs. National Highways Authority of India [(2019) 15 SCC 131]***,

18. Even during oral arguments, the learned counsel for the petitioner only touched upon certain facts which are not sufficient to interfere with the award passed by the sole Arbitrator.

19. In the light of the above discussion, this Court does not find any



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ground to entertain this petition. Accordingly, the Arbitration Original
Petition is dismissed. Consequently, the connected application is closed.

There shall be no order as to costs.

21.11.2025

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Index: Yes/No
Speaking Order/Non-Speaking Order
Neutral Citation Case : Yes/No

N.ANAND VENKATESH, J.

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WEB COPY



Arb.O.P.(Com.Div.)No.747 of 2025

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