

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

**CR No.1107 of 2013 (O&M)
Date of decision: 10.12.2015**

M/s Akai Consumer Electronics India Ltd. and another

... Petitioner

versus

M/s Manajan Electronics Loha Mandi Batala and another

.... Respondents

CORAM: HON'BLE MR. JUSTICE K. KANNAN

Present: Mr. Vikas Mohan Gupta, Advocate for the petitioner.

None for the respondents.

K.Kannan, J.

In a suit by the plaintiff for a declaration that the letter issued by the defendant on 06.03.2008, demanding an amount of Rs. 39, 50, 116/- to be paid to the defendant company by the plaintiff, the defence was for there was an arbitral reference for referring the dispute regarding the liability of the plaintiff during the period when he was a dealer of the defendant company and the award had been passed on 27.01.2009. The Court found that the letter which was issued by the defendant demanding certain sum itself did not provide for any clause excluding the jurisdiction of a Civil Court or constitute any arbitral agreement which the plaintiff could have invoked. The service of letter itself at Batala constituted the cause of action.

The reasoning is erroneous and is untenable. The prayer for declaration that the letter was invalid or ineffective was in essence a manner of annulling an award and the suit itself was not competent. The declaratory relief was an attempt of the plaintiff to deny an obligation to pay the sum of money that had determined as payable by the arbitral award. The dispute that has arisen between the parties must be seen in the context of the relationship that existed between the plaintiff and the defendant under an agreement which determined the

plaintiff's status as a dealer of the defendant's products. That agreement provided for settlement of disputes through Arbitrator and for the conduct of the plaintiff unwilling to work as a dealer when the goods of the defendant company were still lying with the plaintiff, the defendant has invoked the arbitral clause and secured the award. The suit is a mischievous attempt at annulling the award in the circuitous way.

The suit was incompetent and ought to have been rejected as barred by law in avoiding the arbitral award and seeking for an adjudication on whether the demand could be made by the defendant on the plaintiff, which was squarely governed by the terms of dealership that provided for an arbitral clause.

The impugned order is set aside and the revision petition is allowed and the plaint is ordered to be rejected. There shall be costs of Rs. 3,500/- against the plaintiff/respondent in favour of the petitioner.

10.12.2015

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(K.KANNAN)
JUDGE