



2025:DHC:11245-DB



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Judgment Reserved on: 28.11.2025

Judgment delivered on: 12.12.2025

Judgment uploaded on: *As per Digital Signature~*

+ **FAO(OS) (COMM) 230/2019 & CM APPL. 41959/2019**

RAMAKRISHNA TELETRONICS PVT LTD

.....Appellant

versus

TOP VICTORY INVESTMENTS LTD

.....Respondent

Advocates who appeared in this case

For the Appellant : Mr. B.S. Arora, Adv.

For the Respondent : Mr. Neeraj Grover, Ms. Kavita Sarin and
Mr. Prem Prakash Kanwer, Advs.

CORAM:

HON'BLE MR. JUSTICE V. KAMESWAR RAO

HON'BLE MR. JUSTICE VINOD KUMAR

JUDGMENT

V. KAMESWAR RAO, J.

1. This appeal under Section 37 of the Arbitration and Conciliation Act, 1996 (the Act) read with Section 13(1) of the Commercial Courts Act, 2015 lays a challenge to an order dated 09.08.2019 passed by a learned Single Judge of this Court in OMP COMM 287/2017 dismissing the petition under

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Signing Date: 12.12.2025
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Section 34 of the Act filed by the appellant herein. The petition before the Learned Single Judge challenged the arbitral award dated 16.06.2017 passed by the Sole Arbitrator, adjudicating the disputes that have arisen between the parties in relation to three separate distribution agreements dated 05.09.2012 executed between the appellant and the respondent, whereby the appellant who was appointed as authorized non exclusive distributor for the distribution and sales promotion of AOC branded TVs/products in Andhra Pradesh, Karnataka and Tamil Nadu by the respondent.

2. It is the case of the appellant that on account of adverse market response and on the request of the respondent, it issued a communication to all retailers/vendors informing that unsold stocks be returned on outstanding payments made directly to the respondent vide letter 30.04.2013.

3. It was the case of the appellant that on 06.05.2013, the respondent proposed and issued a settlement letter in view of the agreement arrived at between the parties. However, the said letter did not adequately protect the rights of appellant and therefore was edited by the respondent by hand. The following was alleged to have been added by the respondent:

“3. Total debtors amounts of distributors/ dealers, if they do not pay or return the stocks. Ramakrishna Teletronics is not responsible for debtors amount. Ramakrishna Teletronics outstanding amount top Victory should not claim further outstanding amount should be nullified.

4. For all sales return VAT loss. Top Victory Investments Ltd. has to bare the loss.”

4. According of the appellant, on account of the alterations being made



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by hand and on request of the appellant, the respondent issued a fresh letter of settlement under the signature of Ms. Seema Bhatnagar, Director- TV of the respondent. Thereafter, the appellant returned all stocks and the respondent company agreed to clear outstanding amount with regard to VAT loss/charges amounting to approx Rs.2,51,86,256/-.

5. On 27.03.2015, the appellant issued a legal notice terminating distribution agreements and invoking arbitration. This Court appointed a retired Judge as an Arbitrator. On 20.01.2016, the appellant filed its statement of claims and the respondent filed counter claims. The procedure of arbitration and arbitral fee was also decided. The respondent filed its statement of defense. On 16.06.2017, an award was passed by the Sole Arbitrator dismissing the claims of the appellant and awarding the counter claims of the respondent.

6. The only case set up by the appellant in defense to the counter claims raised by the respondent is that, a full and final settlement of all claims of the respondent had been reached between the parties by executing letter dated 06.05.2013 by the respondent. It was pleaded by the appellant that the said letter was modified by making certain additions in hand and thereafter, the respondent had issued another letter dated 17.05.2013 clearly recording the terms of the settlement.

7. The Arbitrator, based on the findings that the hand written modifications to the letter dated 06.05.2013, the letter dated 17.05.2013 had not been proved by the appellant held that the defense of the appellant



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cannot be accepted. The case of the appellant before the learned Single Judge was that the Arbitrator did not consider the effect of the original letter dated 06.05.2013 of the respondent, the execution of which had been admitted by the respondent itself. He submitted that for this non-consideration the impugned award is liable to be set aside.

8. Whereas the case of the respondent before the learned Single Judge was that the appellant itself had pleaded that the original letter dated 06.05.2013 did not amount to the settlement of all claims of the respondent. It merely stated the manner in which the respondent would try to recover its outstanding dues from the appellant by collecting dues owed to the appellant by its various dealers.

9. The case of the appellant that the purported letter dated 17.05.2013 was a settlement was considered by the learned Arbitrator at great length and on appreciation of the evidence led, concluded that the hand written amendments as well as the letter dated 17.05.2013 remained unproved by the appellant and as such no reliance can be placed on the same.

10. The Arbitrator held that the appellant never pleaded the original letter dated 06.05.2013 as a settlement and as such there was no occasion to consider the effect thereof. In fact, the Arbitrator considered all the allegations made by the respondent pertaining to the letter dated 06.05.2013 while awarding the counter claims of the respondent. The learned Single Judge in paragraph 4 onwards has held as under:

“4. I have considered the submissions made by the learned



counsels for the parties. The appellant in its Statement of Claim filed before the Arbitrator had pleaded as under:-

“7. That as the Claimant informed the response of the products of the Respondent Company to the Respondent and the market outstanding and therefore on 06.05.2013 the Respondent offered a settlement, wherein they have set out the following conditions:-

"Point No.1: We request you to issue SRN documents in the prescribed format provided earlier to initiate SRN pick – up from your various warehouses (Hyderabad/ Bangalore/Chennai). Point No.2: This is with regard to Market Outstanding pertaining to billing done to various dealers and distributors of AOC products with the held of AOC Sales Personnel. As discussed we request you to issue the letter from Ramakrishna Teletronics to our dealers and distributors to pay the money directly to Top Victory Investments Ltd. on behalf of Ramakrishna Teletronics and in case of non-payment they should return the stock to Ramakrishna Teletronics and in turn Ramakrishna Teletronics will return the same material to Top Victory Investments Ltd as SRN."

Hereto annexed and marked as Annexure C/3 is the copy of letter dated 06.05.2013. 8. That as the above said settlement letter was not protecting the rights of the Claimant and therefore the Respondent edited two new conditions in the said letter dated 06.05.2013 and send the said letter along with their Email. The following two conditions have been edited by the complainant:-

"3. Total debtors amounts of distributors/dealers, if they do not pay or return the stocks, Ramakrishna Teletronics is not responsible for debtors amounts. Ramakrishna Teletronics outstanding amount Top Victory should not claim further outstanding amount



should be nullified.

1. For all sales return VAT los, Top Victory Investments Ltd. has to bare the loss"

Hereto annexed and marked as Annexure C/4 is the copy of letter dated 06.05.2013. 9. That as the above said two conditions have been altered in the said letter by hand writing, therefore, the Claimant ask the Respondent Company to send a fresh letter of settlement and in view of the same, the Respondent Company issued fresh letter of settlement dated 17.05.2013 under the signature of Ms. Seema Bhatnagar, Director-TV of the Respondent-Company. Hereto annexed and marked as Annexure C/5 is the copy of letter dated 17.05.2013. 10. That in view of the settlement firstly dated 06.05.2013 and 17.05.2013, the Claimant returned all the stocks to the Respondent Company and therefore by said settlement there was/is no outstanding on the Claimant. However the Respondent Company agreed to clear the outstanding amount with regard to the VAT loss which occurred due to Sales return from dealer/distributors, which comes around Rs.2,51,86,256/- (Rupees Two Crores Fifty one Lakh Eighty Six Thousand Two Hundred Fifty Six only). However the Respondent had paid four cheques of Rs.35,50,809.00 (Rupees Thirty Five Lacs Fifty Thousand and Eight Hundred Nine only) towards the part payment of VAT charges, but in the ledger Account from 1st April, 2013 to 12th September 2013, he has shown the cheque amount as outstanding on the Claimant. Hereto annexed and marked as Annexure C/6 (Colly) are the copies of Demand Drafts and the ledgers of the Respondent from 1st April, 2013 to 12th September, 2013 and invoices of return of material to the Respondent from the respective states."

(Emphasis Supplied)



5. In reply to the counter claim, the appellant further pleaded as under:-

“10. That the contents of the paragraph 3.16 and 3.17 of the Counter Claim are wrong and denied. The Claimant respectfully submits that after settlement between the parties vide letter dated 06.05.2013 and 17.05.2013 and thereafter, the claimant has had no relation with the dealers/retailer and without consent with the Claimant, the Counter Claimant misused the blank security cheque given by the Claimant at the time of execution of agreement by filing complaint under Section 138 of NI Act and only for harassing the claimant, the Counter Claimant filed complaint under section 138 of NI Act.”

6. A reading of the above pleadings of the appellant would clearly show that it was the hand written amended letter dated 06.05.2013 and the letter dated 17.05.2013 that were pleaded by the appellant as a full and final settlement of the claims of the respondent. The original letter of the respondent dated 06.05.2013 was pleaded only as an offer of settlement from the respondent. The Arbitrator considered the hand written amended letter dated 06.05.2013 and the purported letter dated 17.05.2013 and found them to be not proved by the appellant. As no reliance was placed by the appellant on the original letter dated 06.05.2013 as a settlement of the claims of the respondent, there was no occasion for the Arbitrator to have considered the effect thereof.

7. In view of the above, no fault can be found with the Award. The present petition is dismissed, with no order as to costs.”

11. The submission of the learned counsel for the appellant before us is primarily the same as were advanced before the learned Single Judge. It is stated that the learned Single Judge had failed to acknowledge that the settlement admittedly took place, and he adopted a pedantic and narrow



interpretation of the pleadings which go against the context and the true import of the facts of the present case. It is his submission that the impugned order fails to appreciate the illegal and mala fide intentions of the respondent that resile out of the settlement overlooking the fact that the settlement was authorized by the Director namely Ms. Seema Bhatnagar which fact was demonstrated in evidence. Further, the settlement was acted upon and the import of the settlement was to absolve the appellant of liability as the respondent had taken over the receivables accruing to the appellant and had also collected and taken custody of the unsold stock/inventory.

12. We are unable to agree with the submission of the learned counsel for the appellant, for the simple reason that the Arbitrator in the award has in paragraphs 11 to 14 come to the following conclusion:

“11. The plea of the counter claimant is that its letter dated 6 May, 2013 which does not have any addition in the handwriting neither amounts to a settlement of any nature, nor discharges the Claimant of its liability towards the Respondent under the Agreement. The letter dated 06.05.2013 was issued to the claimant only with an intent to reduce the huge outstanding accruing in the Claimant's account and accordingly by this letter, the Respondent/counter claimant had conveyed its consent to accept the return of unsold stock from the claimant and also accept payments from the dealers and distributors of the Claimant which was payable towards the price of goods to the claimant to reduce the liability of the claimant. Merely because the part of the price of goods which was payable by the purchaser (Distributor) was paid by someone else on behalf of the purchaser, the relationship between the seller (Counter Claimant) and purchaser (Claimant will not change and the parties paying the price of goods on behalf of the purchaser



will not become the purchaser of the counter claimant nor shall absolve the purchaser of his liability towards the seller (Counter Claimant). In any case the modification of agreements between the seller and purchaser has been contended on the basis of letter dated 6 May, 2013 with handwritten additions and the letter dated 17th May, 2013. The plea of the counter claimant is that these letters have been forged and fabricated by the claimant. The counter claimant has categorically contended that these letters have not been issued by the counter claimant or on his behalf by any authorized person to do so. The counter claimant has also alleged that it is not the business practice of the counter claimant to modify the written agreements by adding terms in handwriting in a letter or by issuing another letter through an unauthorized person.

12. To prove the words and paragraphs written in hand on letter dated 6.5.2013 CW-2 (Mr. Bhanu Parkash) in his affidavit has relied upon emails dated 16.05.2013 (CW 2/3A and CW2/3B~at Page 15-17 of Evidence Affidavit of CW-2) exchanged between him, Ms. Seema Bhatnagar and CW-1. vide which, letter dated 06.05.2013 appears to have been amended in hand by Bhanu Parkash. There is no averment on behalf of the claimant that these emails relied upon by the said witness are true printouts of the original' documents and the same have not been tampered with in any manner Mr. Bhanu Parkash has not produced the original letter nor has made any efforts to produce the same. Another incongruous fact is that email dated 16.05.2013 sent at 6:38 PM (at Page 16 of Evidence Affidavit of CW-2), states that the additions in the letter dated 06.05.2013 were made, by him. CW-2 (Mr. Bhanu Parkash) has stated that the paragraph suggested to be incorporated was written by him (page 4 para 11 Evidence Affidavit of CW-2). If the additions were made by him, the original letter on which hand written amendments were made should have been in his custody and the claimant should have sought production of the same. It is not the case of Mr. Bhanu Parkash that after adding the paras in the letter dated 6th May, 2013, the original was



given to the counter claimant or any of his authorized person. Why the original letter has not been produced, no plausible explanation has been given. CW-2, Mr. Bhanu Prakash, in his Evidence Affidavit, in para 11 at page 4 CW-2 (Mr. Bhanu Parkash) has stated that vide said Email dated 16.05.2013 (at 07:30 pm) Ms. Seema Bhatnagar had accepted additional two points which were written on the letter dated 6.5.2013. At page 16 there are two e-mails marked as CW-2/XI. The email below the email dated 16.05.2013 (CW-2/XI) does not bear any date and time which is not probable and plausible. No satisfactory explanation has been given as to how an e-mail can be without date and time. CW-2 (Mr. Bhanu Parkash) was cross examined on 16.02.2017 on this aspect vide Question nos. 18-20, but he has not given any cogent explanation or reason for email being undated. There is no averment either in the pleadings or in the Evidence Affidavits of CW-1 (Ravi Kumar) & CW-2- (Mr. Bhanu Parkash) as to who had taken the printout of the Amended Letter dated 06.05.2013 and whether the cover emails vide which Amended letter has been issued, had been received/printed by them. Mr. Bhanu Prakash was the employee of the counter claimant and later on the became the employee of claimant. The deposition of such a witness is to accepted with great caution. This is not the case of the claimant that he had agreed for the counter claimant to take the goods back an recover the amounts due from purchaser of the claimant directly on the condition that the claimant will be absolved of his liability. There is no logical explanation as to why the claimant will be absolved of his liability and it will be fastened on those retailers and dealers who had received the goofs from the claimant but who had neither returned the goods to the counter claimant nor had paid the amounts, price of goods, which were payable by such dealers and retailers to the claimant. The alleged modification of the agreements between the counter claimant and the claimant will not bind the purchaser of goods from the claimant. Such retailers and dealers who had got the goods from the claimant will not be legally bound to pay the price of such goods to the counter



claimant, in case they opt not to pay the counter claimant on the basis of alleged modification of the terms and conditions between the counter claimant and the claimant and in such a circumstance the counter claimant will not be able to recover the amounts, price of goods from such dealers and distributors. Since the liability of the claimant is substantial, it is more probable that he agreed to take back the courts and also agreed to take the amounts which were payable by the dealers and retailers of the claimant directly. Accepting the price of goods from the dealers and retailers of the, claimant will not novate the agreements between the counter claimant and the claimant not shall create the relationship of salary purchaser between the counter claimant and the dealers and retailers of the claimant. On perusal of entire evidence in this regard and the pleas and contentions of the claimant, on the basis of 2013 from Seema Bhatnagar, Even the allege email dated 17th May, 2013 along with which the scanned copy of letter dated 17th May, 2013 was allegedly sent has not been produced. The testimony of CW - 1 regarding the scanned copy of letter dated 17th May, 2013 exhibited as CW - 1/C2 also does not inspire such confidence so as to accept the said letter. Who had scanned the letter dated 17th May, 2013 and in whose possession the original letter dated 17 May 2013 has not been deposed about. It was stated that the office of the counter claimant at Gurgaon had sent the said email to the office of the claimant at Hyderabad. But the alleged email with which the scanned copy was allegedly sent has not been produced. In the circumstances it is not probable to infer that the letter dated 17th May, 2013 was issued by the counter claimant waiving the liability of the claimant in respect of the goods purchased by him from the counter claimant as the distributor of the counter claimant. Merely because the counter claimant had agreed to accept the money payable by the dealers and retailers of the claimant, will not absolve the claimant of his liability. By alleged writings it cannot be established that the ownership of the goods which were sold and delivered to the claimant as distributor had been passed to the retailers and dealers of the



claimant from the' claimant. The claimant has also failed to disclose as to why the emails relied by the claimant were not send to the authorized person Shri Mukesh Gupta. For the foregoing reasons this Tribunal is unable to infer that the terms and conditions added by hand in the letter dated 6th May, 2013 were with the approval of the counter claimant and were accepted by him and similarly it cannot be inferred that the letter dated 17th May, 2013 is a letter by which the counter claimant had agreed to waive of the liability of the claimant and had also absolved the claimant of his liability for the price of goods which were sold and delivered to the claimant.

14.. Since the alleged addition of two clauses in the letter dated 6th May, 2013 and the alleged letter dated 17th May, 2017 have been disbelieved, so it cannot be held that the counter claimant had settled the entire market outstanding and return of entire Stocks. In the circumstances it cannot be held that the counter claimant had agreed and had accepted to bear the losses. The clamant in the circumstances is not entitled for Rs.2,51,86,256/-(Rupees Two Crores Fifty One Lacs Eighty Six Thousand Two Hundred Fifty Six Only) from; the counter claimant. In any case the said claim of the claimant has been terminated on account of non-payment of entire Arbitral fees. No inference of mala fide or bad intention can be drawn against the counter claimant in the facts and circumstances.”

13. The learned Single Judge has held that the hand written amendments in the letter dated 06.05.2013 and purported letter dated 17.05.2013 has not been proved. It was also held as no reliance was placed before the appellant in original letter dated 06.05.2013 as to the settlement of the claims of the respondent, there was no occasion for the Arbitrator to have considered the effect thereof.

14. The learned Single Judge dismissed the petition under Section 34 of



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the Act on the basis of the aforesaid which is a finding of the fact by the learned Arbitrator, who had some basis to come to such a conclusion.

15. If that be so, in view of the settled position of law laid down by the Supreme Court in the case of *UHL Power Company Limited v. State of Himachal Pradesh, 2022 INSC 20* wherein it was held that the scope of interference of Courts under Section 37 of the Act is very limited, we would not like to interfere with the impugned order passed by the learned Single Judge.

16. In view of above, the appeal along with pending application is dismissed. No order as to costs.

V. KAMESWAR RAO, J

VINOD KUMAR, J

DECEMBER 12, 2025

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