

**(2009) 10 DEL CK 0087**  
**In the Delhi High Court**  
**Case No : O.M.P. 232 of 2004**

Orissa Oil Industries Ltd.

APPELLANT

Vs

Tribal Co-operative Marketing Development Federation of  
India Limited

RESPONDENT

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**Date of Decision :** 26-10-2009

**Acts Referred:**

Arbitration and Conciliation Act, 1996 — Section 34

**Citation :** (2009) 164 DLT 330 : (2010) 8 RCR(Civil) 1023

**Hon'ble Judges :** Manmohan, J

**Bench :** Single Bench

**Advocate :** Praveen Marahatta, for the Appellant; Alakh Kumar, for the Respondent

**Final Decision :** Dismissed

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## Judgement

Manmohan, J.—With consent of the parties, matter is taken up for final disposal.

2. In fact, the present objection petition has been filed u/s 34 of Arbitration and Conciliation Act, 1996 challenging the Award dated 31st March, 2004 passed by Mr. N.L. Kakkar, learned Sole Arbitrator.

3. Briefly stated the facts of the present case are that petitioner, a company under liquidation, had entered into an agreement dated 15th April, 1994 with respondent, a national level apex corporation federation, for storage and processing of various Minor Forest Products (hereinafter referred to as "MFP"). The dispute in the present case pertains to non-return of 4160 metric tons of Mahua Seed, even though the same had been handed over by respondent to petitioner for storage and processing.

4. Mr. Praveen Marahatta, learned Counsel for petitioner submitted that the impugned Award was an unreasoned one and further that since the respondent itself had breached the contract, it was not entitled to any award of money.

5. On the other hand, Mr. Alakh Kumar, learned Counsel for respondent submitted that the impugned Award is a reasoned one. He further submitted that the dispute between the parties arose because petitioner wanted to hand over processed oil to M/s. Utkal Forest Products Ltd. instead of returning it back to the respondent's nominee.

6. Having heard the parties and on a perusal of the Award, I find that the learned Arbitrator has given short intelligible reasons in support of the conclusion that he has arrived at. The finding rendered by the learned Arbitrator is reproduced hereinbelow:

#### Findings:

Considering the facts and circumstances of the matter and the documents placed before the Tribunal, it is evident that Claimant and Respondent entered into an Agreement dated 15/4/94 for the storage and processing of the various MFP items. Admittedly, the Claimant had given 4160 MTs (approx.) of Mahua Seed to the Respondent for storage and processing and the Respondent was liable to perform, fulfil and observe all the obligations of the Agreement with regard to storage and processing of the stocks of the Claimant. The Agreement dated 15/4/94 pertained to various MFP items but I am concerned with only one commodity i.e. Mahua Oil in this matter.

As per Clause 11 of the Agreement dated 15/4/94, TRIFED is the exclusive owner of the stock stored with the Respondent and as per the Agreement the Respondent was liable to give the delivery of the stocks including Oil and DOC to the Claimant or a buyer nominated by TRIFED. But, in the instant case, the Respondent did not effect the delivery to the buyer of the Claimant. As a result, the buyer's tankers had to be returned empty from the factory of the Respondent. However, the same confirmation was well within the knowledge of the Respondent. In connection with the non- delivery of Mahua Oil from the factory of the Respondent, the Claimant had written various letters to Shri J.P. Lath, the then Director of the Respondent. The non-delivery of the Mahua Oil by the Respondent to the Claimant's buyer is a breach of contractual obligation on the part of the Respondent. The Claimant has proved the loss claimed by him. There is no breach on the part of the Claimant in respect to payment of the godown charges and processing charges and interest thereon to the Respondent. The Claimant is not responsible to pay idle charges to the factories of the Respondent. The Respondent has failed to fulfil their contractual obligation in accordance with the Agreement entered into between the Claimant and the Respondent. The Respondent could not produce the evidence in support of their counter claim and they also could not prove their counter claim. Therefore, the counter claim of Respondent is rejected in toto. The Respondent could not place the documents before the Tribunal in respect to denying the claim of the Claimant.

7. It is settled law that an arbitrator is not expected to write a judgment like a

Court of law. Moreover, sufficiency of reasons cannot be gone into by the Court. A Division Bench of this Court in *College of Vocational Studies v. S.S. Jaitely* reported in AIR 1987 Delhi 134 has held as under:

(18). ...When the arbitrator is required to give reasons, it is not for the Courts to see the reasonableness of the reasons given by the arbitrator or sufficiency of the reasons. However, what reasons are required it depends upon the facts of each case.

(19). ...By reasons it means that the award should be speaking one. In the reasoned award what is expected from the arbitrator is that he should indicate his mind whereby it can be ascertained as to how he has arrived at a particular conclusion. In case of reasoned award, the arbitrator is required to indicate the trend of his thought process but not his mental meanderings, the purpose of commercial arbitration, being speedy certainly and a cheaper remedy. When the finding of the arbitrator is based on no evidence, then certainly the Court can go into such finding and set aside such an award as being perverse. The arbitrator is entitled to decide rightly or wrongly but if an error of law appears on the face of the award, then the Court can interfere and set aside the award.

8. In the present case, I find that the learned Arbitrator has spoken his mind and he is clear as to how he acted and why he acted in that manner. See *Indian Oil Corporation Ltd. Vs. Indian Carbon Ltd.*, Consequently, I am of the view that the impugned Award is a reasoned one.

9. As far as the argument that respondent had committed breach of contract is concerned, I am of the view that I am not an appellate court and I cannot re-examine the case. Since admittedly, learned Arbitrator has not acted contrary to provisions of the contract or to any statutory law and further that the impugned Award is neither perverse nor opposed to the public policy, I deem it appropriate not to re-examine the controversy on merits between the parties.

10. Consequently, present petition being devoid of merits is dismissed but with no order as to costs.