



**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
BENCH AT AURANGABAD**

915 ARBITRATION APPEAL NO. 14 OF 2014

Bharat Sanchar Nigam Ltd.
Telephone Bhavan, DTO Building,
Ahmednagar
(Through its General Manager)

...Appellant

Versus

M/s. Rites Limited,
Vat 711/712, 1st Floor,
Tower No.7, International
Infotech Park, Vashi Railway
Station complex, Vashi
Navi Mumbai 400 703

...Respondent

...
Mr. Vinayak Sudhakar Bedre, Advocate for the Appellant
...

CORAM : ROHIT W. JOSHI, J.

DATED : 27th JUNE 2025

ORAL JUDGMENT :-

1. Dispute between the present appellant and respondent arose in relation to a contract pertaining to laying of OFC in different routes of Ahmednagar Telecom District under agreement no. nil dated 14.06.2001.

2. In order to dissolve the dispute Arbitral Tribunal comprising of sole Arbitrator Mr. C. B. Dyaberi was constituted. Respondent is the original claimant. The respondent has raised various claims before the

Arbitral Tribunal in relation to the contract. The principal dispute between the parties pertains to revision of rates of works executed by respondent for the appellant in terms of the said agreement. The appellant contended that a sum of Rs.16,65,572/- was being claimed by the respondent over and above the amount which was actually payable under the contract and prayed that the recovery of said amount be disallowed and in addition a sum of Rs.7,31,419/- which was recovered should be directed to be refunded.

3. The contention of the respondent was that all the bills were raised as per the rates approved by the General Manager of the appellant/BSNL.

4. It appears from perusal of the award passed by the learned Tribunal that the rates agreed under the contract were enhanced on percentage basis and both parties are agreed to the enhancement. The contention of the appellant is that the enhancement of rates was only with respect to labour works of 'trenching' and 'reinstatement' and not with respect to allied works. As against this, the contention of the respondent was that the rates were revised for the entire work i.e. the work of 'trenching' and 'reinstatement' as also the allied works. The

respondent contended that bills were prepared as per the rates revised mutually. On appreciation of the evidence, the learned Arbitral Tribunal has accepted the contention of the respondent that the bills were raised by respondent as per the agreed rates and that there was no over payment by the appellant to the respondent. In view of the above, the learned Arbitral Tribunal allowed the claim made by the present respondent in this regard.

5. The other claims raised by the respondent were disallowed.

6. The learned Arbitral Tribunal passed award accordingly on 04.05.2007. This award was assailed by the present appellant by filing an application under Section 34 of the Arbitration and Conciliation Act, 1996 which was registered as Arbitration Application No.06 of 2007. The said application came to be rejected by the learned Principal District Judge, Ahmednagar vide judgement and order dated 05.02.2014. The learned Principal District Judge has rejected the contention of the appellant that the learned Arbitral Tribunal had traveled beyond its jurisdiction in awarding claim and has also found that the findings were recorded on the basis of material on record.

7. Mr. Bedre, the learned Advocate for the appellant raises a contention that the parties had agreed that the payment of money will be subject to inspection and audit. He contends that the audit party of the appellant has raised objection with respect to over payment and the Arbitral Tribunal ought to have taken into consideration this aspect of the matter. He contends that the claim could not have been awarded disregarding audit objection.

8. Having perused the award passed by the learned Arbitral Tribunal with the able assistance of the learned Advocate for the appellant, it is found that undisputedly there was a rate revision which was arrived at mutually between the parties. The revision of rates was approved by the General Manager of the appellant. It is not disputed that the bills were prepared at the rates approved by the General Manager. The parties appeared to be at a contention with respect to the applicability of rate revision to different items of work. The case of the appellant is that rate revision was applicable only for labour work i.e. work of 'trenching' and 'reinstatement' and not for the allied works. As against this, the contention of respondent is that the rate revision was applicable to the entire work including the allied works. The learned Arbitral Tribunal has clearly recorded that there

was only one schedule of rates and not two separate schedules as contended by the appellant. This is a finding of fact recorded on the basis of available material. The award passed by the learned Arbitral Tribunal is a reasoned award passed on the appreciation of evidence. Reappreciation of evidence is beyond the scope of proceedings under Section 34 of the said Act as also appeal under Section 37 of the said Act. In that view of the matter no case for interference is made out.

9. The appeal is therefore dismissed with no orders as to costs.

[ROHIT W. JOSHI, J.]