



HIGH COURT OF UTTARAKHAND AT NAINITAL

Appeal From Order No. 224 of 2026

03 July, 2026

Ntop Infosec Private Limited

--Appellant

Versus

Nagar Nigam Haridwar

--Respondent

Presence:-

Mr. Eshan Sachdeva, learned counsel for the appellant (appeared through V.C.)

Mr. Sandeep Kothari, learned counsel for the respondent.

Coram :Hon'ble Manoj Kumar Tiwari, J.

Hon'ble Pankaj Purohit, J.

Per: Hon'ble Pankaj Purohit, J.

This Appeal against Order has been preferred under Section 37 of the Arbitration and Conciliation Act, 1996, assailing the order dated 18.05.2026 passed by the learned Commercial Court, Dehradun, in Arbitration Case No. 107 of 2025, and further seeking to set-aside the cancellation/termination order dated 05.12.2025 (annexed as Annexure No. 9) issued by the respondent during the pendency of the present appeal, and further to restrain the respondent from removing, dismantling, interfering with, or creating any obstruction in the operation and maintenance of the traffic signals, blinkers, and advertisement structures installed by the appellant pursuant to the agreement dated 04.01.2022.

2. Facts of the case are that the appellant entered into an agreement dated 04.01.2022 with the



respondent-Nagar Nigam, Haridwar for installation, operation and maintenance of traffic lights/blinkers at various locations within the municipal limits on a Public Private Partnership (PPP) model based on the Build-Operate-Transfer (BOT) system. Under the agreement, the appellant was granted the right to install advertisement units on the traffic signals and generate revenue there from for the stipulated contractual period, subject to the terms and conditions of the agreement. According to the appellant, it duly deposited the requisite licence fee and made substantial investment in installation and maintenance of the traffic signals and allied infrastructure. However, the respondent, vide order dated 05.12.2025, terminated the agreement alleging breach of contractual obligations. Aggrieved thereby, the appellant invoked the arbitration clause contained in the agreement and simultaneously filed an application under Section 9 of the Arbitration and Conciliation Act, 1996 before the learned Commercial Court, Dehradun, seeking interim protection. Though an interim order was initially granted in favour of the appellant, the learned Commercial Court, by judgment and order dated 18.05.2026 passed in Arbitration Case No.107 of 2025, dismissed the application. Aggrieved by the aforesaid judgment and order dated 18.05.2026, the appellant has preferred the present appeal under Section 37 of the Arbitration and Conciliation Act, 1996.

3. Learned counsel for the appellant submitted that the learned Commercial Court erred in dismissing the application under Section 9 of the Arbitration and Conciliation Act, 1996 by mechanically upholding the cancellation order dated 05.12.2025. It is argued that the



cancellation is arbitrary, contrary to the terms of the agreement dated 04.01.2022 as well as the Uttarakhand Nagar Nigam (Determination and Recovery of Tax and Licence in Advertisement) Rules, 2015, and was passed without issuance of any show cause notice or affording the appellant an opportunity of hearing, in violation of the principles of natural justice.

4. It is further submitted by the learned counsel that the appellant had made substantial investments in installation and maintenance of the traffic signals and had regularly deposited the requisite licence fee. The allegations regarding non-functional traffic signals and traffic inconvenience are stated to be unsupported by any cogent material. According to the appellant, the agreement itself contemplated that any defect would first be intimated to it for rectification, whereas the respondent proceeded to terminate the contract without following the agreed procedure or invoking the contractual dispute resolution mechanism.

5. Learned counsel for the petitioner also contended that the learned Commercial Court failed to appreciate the documentary material placed on record and ignored that the appellant had already invoked the arbitration clause. It is argued that unless interim protection is granted, the respondent may dismantle the installed infrastructure, causing irreparable loss to the appellant and frustrating the arbitral proceedings. The impugned order is, therefore, liable to be set aside.

6. Learned counsel for the respondent supported the impugned order and submitted that the learned Commercial Court has rightly declined the relief under



Section 9 of the Arbitration and Conciliation Act, 1996. It was contended that the agreement was terminated on account of repeated deficiencies in the operation and maintenance of the traffic signals, resulting in public inconvenience and traffic management issues. The cancellation was, therefore, in accordance with the terms of the agreement and in larger public interest. It was further argued that once the contract itself stood terminated, the appellant had no subsisting contractual right warranting protection under Section 9 of the Act, and the remedy, if any, was to seek appropriate relief before the arbitral tribunal, which is already involved. The appeal, being devoid of merit, is liable to be dismissed.

7. Having heard learned counsel for the parties and upon perusal of the material available on record, this Court finds no infirmity in the order passed by the learned Commercial Court warranting interference under Section 37 of the Arbitration and Conciliation Act, 1996. The scope of interference under Section 37 is limited and unless the discretion exercised by the Court under Section 9 is shown to be arbitrary, perverse or contrary to settled principles of law, the appellate Court would not substitute its own view. In the present case, the agreement dated 04.01.2022 stood terminated by the respondent vide order dated 05.12.2025. Consequently, the appellant failed to demonstrate any subsisting contractual right entitling it to the interim protection sought under Section 9 of the Act. The relief claimed by the appellant would virtually amount to reviving the terminated contract and restoring the contractual relationship, which is in the nature of a final relief and



cannot ordinarily be granted while exercising jurisdiction under Section 9 of the Act.

8. The legality and validity of the termination of contract order are matters to be adjudicated by the learned Arbitral Tribunal. At this interlocutory stage, no case is made out to hold that the learned Commercial Court exercised its discretion arbitrarily or contrary to law while declining interim protection. The appellant has failed to establish a *prima facie* case, balance of convenience or irreparable injury warranting interference by this Court.

9. Accordingly, the appeal is dismissed *in-limine*.

10. Pending application, if any, stands disposed of accordingly.

(Pankaj Purohit, J.) (Manoj Kumar Tiwari, J.)
03.07.2026

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