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IN THE HIGH COURT OF DELHI AT NEW DELHI

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Judgment Delivered on: 10.02.2026

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O.M.P. (COMM) 140/2025 and I.A. 3315/2026**MUKUND AGARWAL**

.....Petitioner

Through: Mr. Siddharth Mittal and Mr. Taranjit
Singh Sawhney, Advs.

versus

MOHITA GUPTA

.....Respondent

Through: Mr. Manish Jha, Sr. Adv. with Mr.
Vaibhav Tomar, Mr. Prabhjot Singh Dhillon, Ms.
Heena Khan, Mr. Hriman Dhaka, Mr. Himanshu
Mishra, Advs.**CORAM:****HON'BLE MR. JUSTICE VIKAS MAHAJAN****JUDGMENT****VIKAS MAHAJAN, J (ORAL)**

1. The present petition has been filed under Section 34 of the Arbitration and Conciliation Act, 1996 (the Act) seeking setting aside of the impugned arbitral award dated 14.02.2025 passed by the learned Sole Arbitrator in the matter titled as "*Mukund Agarwal vs. Mohita Gupta*".

2. The arbitration proceedings emanated from an agreement to sell dated 20.05.2024 [hereinafter 'the agreement'] executed between the petitioner and the respondent in respect of an immovable property bearing Plot No. PKP002S075 in Kensington Park Plot Phase-2 project, admeasuring 200.00 sq. mtr. (239.20 sq. yds.) situated at Sector-131, Jaypee Greens Wish Town, Noida, Uttar Pradesh.



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3. The disputes having arisen between the parties, the petitioner invoked the arbitration clause in the said agreement and thereafter a sole arbitrator was appointed with the mutual consent of the parties.

4. The learned Sole Arbitrator *vide* his order dated 14.02.2024 framed the following two preliminary issues on non-registration and non-stamping of agreement to sell:

(i) Whether in view of amendments in the Transfer of Property Act and the Registration Act carried out by the State of Uttar Pradesh, is it compulsory to register the agreement to sell dated 20.05.2024?OPR

(ii) Whether the agreement to sell dated 20.05.2024 requires payment of any stamp duty under the Stamp Act, 1899 (as applicable to the State of Uttar Pradesh)?OPR

5. The learned Sole Arbitrator *vide* its impugned award dated 14.02.2025 returned the finding that the agreement to sell in question, is a 'Contract for the Sale' of immovable property, therefore, it mandatorily requires registration and stamping under the Transfer of Property Act, 1882, Registration Act, 1908 and Indian Stamps Act, 1899 as applicable in the State of Uttar Pradesh.

6. It was further observed that since the agreement to sell is neither registered nor stamped as per the Registration Act, 1908 and Indian Stamps Act, 1899, it cannot be specifically enforced due to the bar imposed by Section 49 of the Registration Act, read in conjunction with Section 54 of the Transfer of Property Act.

7. It was thus, concluded that as an unregistered document, the agreement to sell lacks legal validity as a 'contract', in view of the Section



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54 of the Transfer of Property Act, therefore, the learned Sole Arbitrator is precluded from granting the claimant any relief in the form of specific performance of the agreement to sell in question, the same being an unenforceable document. The relevant findings of the learned Sole Arbitrator read thus:

“40. The Tribunal has, also, considered the judgments relied upon by both the parties and concur with the legal principle laid down in 'Vijay Kumar Sharma vs. Devesh Behari Saxena'. The Tribunal, also, agrees that the judgments relied upon by the Claimant, namely, 'Residents Welfare Association, Noida vs State of UP' and 'UP Small Industries Corporation Ltd. vs Anupam Housing Pvt. Ltd' are not applicable to the present case, as the same are completely distinguishable from the facts of the present matter which has rightly been done so by the Respondent. The Tribunal agrees with the Respondent that 'UP Small Industries Corporation Ltd vs Anupam Housing Pvt. Ltd' is not a binding precedent, as the judgment was stayed by the Hon'ble Supreme Court at the interim stage and subsequently disposed of due to a private settlement between the parties. Even the judgment of 'Residents Welfare Association, Noida vs State of UP' revolves around the stamping of a transfer deed of leasehold rights, specifically addressing the applicability of Article 63 and Article 23 of the Stamp Act. This judgment, however, does not opine on the registration requirements for contracts related to the sale of immovable properties, therefore, rendering it inapplicable to the present issue.

41. The ATS is a clear and unequivocal document, and the Respondent has raised a purely legal issue that does not necessitate any trial. This Tribunal can construe the ATS executed by the parties without requiring additional evidence. The ATS must be interpreted in accordance with its explicit terms, without substitution or alteration based on the parties' competing contentions. In the light of the discussion and findings, this Tribunal concludes that the ATS, in question, is a



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'contract for the sale' of immovable property, mandatorily requiring registration and stamping under the Transfer of Property Act, Registration Act, and Stamp Act, as applicable in the State of Uttar Pradesh. Since the ATS is neither registered nor stamped, it cannot be specifically enforced, due to the bar imposed by Section 49 of the Registration Act, read in conjunction with Section 54 of the Transfer of Property Act. As an unregistered document, the ATS lacks legal validity as a 'contract', in view of Section 54 of the Transfer of Property Act.

42. Consequently, in accordance with the legal bar contained in the statute, both the preliminary issues are decided in favor of the Respondent and against the Claimant, as this Tribunal is precluded from granting the Claimant any relief in the form of specific performance of the present ATS which, is an unenforceable document."

8. Mr. Siddharth Mittal, the learned counsel appearing on behalf of the petitioner submits that the agreement to sell can be specifically enforced even if the same is not registered, which aspect has been overlooked by the learned Sole Arbitrator.

9. He further contends that the agreement to sell was with regard to the Transfer of lease hold rights and not the ownership *per se*, therefore, Section 54 of the Transfer of Property Act will not be attracted to the facts of the present case.

10. On the other hand, Mr. Manish Jha, the learned senior counsel appearing on behalf of the respondent submits that the issue involved in present petition is squarely covered by the decision of Division Bench of this Court in FAO (OS) 136/2025 titled as ***Gaurav Aggarwal vs. Richa Gupta***.



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11. Having heard the learned counsels for the parties and upon perusal of the decision of the Division Bench of this Court in **Gaurav Aggarwal** (supra) this Court finds that the issue with regard to the admissibility of unregistered agreement to sell in the State of Uttar Pradesh is no more *res integra*.

12. In **Gaurav Aggarwal** (supra) identical facts were involved. In the said case also the issue had arisen with regard to the admissibility of an unregistered agreement to sell in respect of an immovable property in the State of Uttar Pradesh. Incidentally, the said agreement to sell was also with regard to the transfer of lease hold rights. The Arbitrator *vide* his impugned order had allowed the application filed by the respondent therein and terminated the arbitral proceedings holding that agreement to sell executed between the parties require mandatory registration and stamping in the State of Uttar Pradesh.

13. The award was assailed by the claimant by filing a petition under Section 34 of the Act before this Court bearing no. O.M.P. 1/2025 titled as **Gaurav Aggarwal vs. Richa Gupta**.

14. The learned Single Judge relying upon the decision of the High Court of Allahabad in **Vijay Kumar Sharma vs. Devesh Behari Saxena, AIR 2008 All 66**, *vide* his judgment dated 15.10.2025 held that the learned Arbitrator has rightly observed that in view of the amendment by U.P. Act No. 57 of 1976 carried out in the Registration Act, 1908 in the State of Uttar Pradesh, the contract for sale of an immovable property requires mandatory registration.

15. It was further held that the learned Arbitrator rightly concluded that



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even transfer/sale of lease or sub-lease rights of a property without reserving any right would amount to sale and any contract for sale/sale of such lease hold or sub-lease hold rights will be a contract of sale within the meaning of Section 54 of the Transfer of Property Act, 1882. Accordingly, the unregistered agreement to sell was held to be unenforceable under Section 49 of the Registration Act. The relevant extract from the decision of the learned single judge reads thus:

“13. In my considered view, the Arbitrator has correctly appreciated the legal position with regard to the amendment carried out in the Registration Act, 1908 in the State of Uttar Pradesh requiring mandatory registration of a contract for sale of an immovable property.

14. It was rightly observed that even transfer/ sale of leasehold or sub-leasehold rights by a party without reserving any right would amount to ‘sale’ and any contract for transfer/ sale of such leasehold or sub-leasehold rights will be a ‘contract for sale’ within the meaning of Section 54 of the Transfer of Property Act, 1882. On the basis of the aforesaid observation, the Arbitrator correctly concluded that the ATS which is the subject matter of the present dispute would amount to a ‘contract for sale’ under Section 54 of the Transfer of Property Act, 1882 and the same being unregistered is unenforceable under Section 49 of the Registration Act, 1908 as amended in the State of Uttar Pradesh.”

16. The challenge was thereafter taken in appeal¹ by the claimant therein. The Division Bench after comparative overview of the provisions of the Transfer of Property Act, 1882 and the Registration Act, 1908 *vis-a-vis* the State amendments carried therein in the State of Uttar Pradesh by virtue of the UP Civil Laws (Reforms and Amendment) Act, 1976 [U.P. Act No. 57

¹ FAO(OS) 136/2025 titled as *Gaurav Aggarwal vs. Richa Gupta*



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of 1976] dismissed the appeal by making following observations:

“It is necessary to set out a comparative overview of the Central enactment and the amendments introduced in the State of UP. The position may be tabulated as under:

Statute / Provision	Central Law	Law as applicable to Uttar Pradesh after the UP Civil Laws (Reforms and Amendment) Act, 1976
Section 54, Transfer of Property Act, 1882	“Sale” defined.—“Sale” is a transfer of ownership in exchange for a price paid or promised or part-paid and partpromised. Sale how made.—Such transfer, in the case of tangible immoveable property of the value of one hundred rupees and upwards, or in the case of a reversion or other intangible thing, can be made only by a registered instrument. <i>In the case of tangible immoveable property of a value less than one hundred rupees, such transfer may be made either by a registered instrument or by delivery of the property.</i> <i>Delivery of tangible immoveable property takes place when the seller places the buyer, or such person as he directs, in possession of the property.</i>	“Sale” defined.—“Sale” is a transfer of ownership in exchange for a price paid or promised or part-paid and partpromised. Sale how made.—Such transfer, in the case of tangible immoveable property, or in the case of a reversion or other intangible thing, can be made only by a registered instrument. Contract for sale.—A contract for the sale of immoveable property is a contract that a sale of such property shall take place on terms settled between the parties. <i>It does not, of itself, create any interest in or charge on such property</i> <i>Such contract can be made only by a registered instrument.</i> [inserted vide UP Act



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	Contract for sale.—A contract for the sale of immoveable property is a contract that a sale of such property shall take place on terms settled between the parties. <i>It does not, of itself, create any interest in or charge on such property</i>	No. 57 of 1976]
Section 17(1) (f) Registration Act, 1908	No equivalent clause in the Central Act.	Clause (f) inserted: “any other instrument required by any law for the time being in force, to be registered.” [This brings contracts for sale within compulsory registration in UP]
Section 17(2)(v) (documents creating right to Obtain another document)	These documents need not be registered unless the interest is ₹100 or more.	UP inserts the words “other than contract for sale”, and omits the value threshold [Contracts for sale are carved out and treated separately; they become compulsorily registrable irrespective of value in UP]
Explanation to Section 17(2) Registration Act, 1908	Explanation.—A document purporting or operating to effect a contract for the sale of immovable property shall not be deemed to require or ever to have required registration by reason only of the fact that such document contains a recital of the payment of any earnest money or of the	Explanation omitted by the UP Amendment Act [removes the statutory exception that protected such documents from compulsory registration even when they recited payment of any earnest money]



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	<i>whole or any part of the purchase money.</i>	
<i>Section 49 (main paragraph) Registration Act, 1908</i>	<i>Bars effect of unregistered documents required to be registered u/s 17 or by any provision of the Transfer of Property Act, 1882</i>	<i>Inserts: “or of any other law for the time being in force.” [Strengthens the bar: if any law as applicable in UP requires registration and it is not registered]</i>
<i>Section 49(b) Registration Act, 1908</i>	<i>Non-registration of documents required to be registered cannot “confer, any power to adopt”</i>	<i>clause (b) substituted to: “confer any power or create any right or relationship.” [The restriction becomes broader even powers or relationships cannot arise from an unregistered document.]</i>
<i>Section 49(c) Registration Act, 1908</i>	<i>“be received as evidence of any transaction affecting such property or conferring such power, unless it has been registered” [Bars admission of unregistered document affecting immovable property in evidence.]</i>	<i>Amendment adds: “or creating such right or relationship.” “be received as evidence of any transaction affecting such property or conferring such power, or creating such right or relationship, unless it has been registered” [Makes the evidentiary bar more comprehensive.]</i>
<i>Proviso to Section 49 Registration Act, 1908</i>	<i>Unregistered document may be admitted as evidence of a contract in a suit for specific performance or collateral transaction not required to be effected by registered instrument..</i>	<i>omits the words “as evidence of a contract in a suit for specific performance” [an unregistered instrument cannot be used in evidence even for</i>



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		specific performance.]
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23. In view of the aforesaid comprehensive statutory framework, the contention of the Appellant that the ATS dated 05.01.2024 merely contemplated transfer of sub-leasehold rights and, therefore, did not require registration, cannot be accepted. The amendment introduced by the U.P. Civil Laws (Reforms and Amendment) Act, 1976 makes no distinction between agreements to sell relating to freehold, leasehold, or sub-leasehold interests. Any instrument that has the effect of creating, declaring, assigning, limiting, or extinguishing rights in immovable property, whether ownership or leasehold, falls within the expression “contract for sale” under Section 54 of the Transfer of Property Act, 1882. Consequently, every such agreement concerning immovable property situated in Uttar Pradesh must be duly stamped and registered under the Registration Act, 1908, as amended in its application to that State.

24. It is thus evident that unless the Agreement to Sell is duly registered, no valid or legally enforceable contract comes into existence in the eyes of the law in respect of immovable property situated in Uttar Pradesh. Registration, in such context, is not a mere procedural formality but a statutory condition precedent to the formation of a legally enforceable contract for sale. While the doctrine of separability preserves the arbitration agreement at the referral stage, it does not enable the Arbitral Tribunal to proceed where the underlying contract can be made only by a registered instrument and is rendered inadmissible for want of compulsory registration. In such circumstances, the continuation of the Arbitral proceedings becomes legally untenable.

Deficiency in payment of stamp duty under the Stamp Act, although a curable defect, does not dilute the consequences of non-registration of an instrument required to be compulsorily registrable by the amended Registration Act



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and the Transfer of Property Act, as applicable in Uttar Pradesh, where the law mandates that contracts for sale of immovable property can be made only by a registered instrument.

25. Once the Agreement to Sell is found to be unregistered and unstamped, the necessary consequence under the amended Section 49 of the Registration Act is that such a document cannot be received in evidence or acted upon for any purpose, including the enforcement of any contractual or Arbitral rights purportedly arising therefrom. The Arbitral Tribunal, therefore, rightly concluded that there was no valid and enforceable agreement capable of any relief in Arbitration. The learned Single Judge, in affirming this view, committed no error.

26. The Allahabad High Court in Irfan Qureshi v. Up State Industrial Development Authority and Another has interpreted that amendment to mean that an agreement to sell immovable property in U.P. must be registered to create any right, title or interest and that a non-registered agreement is inadmissible for the purpose of seeking specific performance or other relief. Accordingly, in the present case, since the ATS is unregistered and concerns immovable property situated in U.P., the Arbitral tribunal correctly treated the document as legally incapable of supporting the claimed relief and terminated the proceedings; the learned Single Judge rightly upheld that conclusion.

27. For the foregoing reasons, this Court finds no infirmity in the view taken by the learned Sole Arbitrator or by the learned Single Judge. The ATS dated 05.01.2024, being neither registered nor properly stamped as required under the amended law applicable in the State of Uttar Pradesh, where a contract for sale can be made only by a registered instrument, was rendered inadmissible for the purpose of seeking any relief affecting immovable property, including specific performance. Without a legally admissible foundational document, the Arbitral



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proceedings lacked the essential substratum for adjudication and could not continue. The termination of the Arbitral proceedings under Section 32(2)(c) of the AC Act, therefore, cannot be faulted.”

[emphasis supplied]

17. The challenge was thereafter carried to the Hon’ble Supreme Court by the claimant therein by filing SLP (C) 36063/2025, which was also dismissed *vide* order dated 16.12.2025.

18. In view of the law expounded in ***Gaurav Aggarwal*** (supra), this Court is of the view that the issue involved in the present case is squarely covered by the said decision. Accordingly, the agreement to sell being unregistered and unstamped as per the Registration Act, 1908, Transfer of Property Act, 1882 and Indian Stamps Act, 1899 cannot be enforced. The learned Sole Arbitrator rightly denied the relief of specific performance of the agreement to sell holding the same to be unenforceable document.

19. The petition along with pending application, is dismissed.

20. The date already fixed i.e. 06.05.2026, stands cancelled.

VIKAS MAHAJAN, J

FEBRUARY 10, 2026

N.S. ASWAL