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

\# **CNR No. DLHC010394062026**

\+ FAO (COMM) 247/2026 & CM APPL. 56849/2026

HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED .....Appellant

Through: Mr. Rohit Sharma, Mr. Jatin Lalwani, Mr. Nikhil Purohit, Advocates.

versus

M/S DPAP ARCHITECTS .....Respondent

Through: Mr. Nishit Agrawal, Mr. Shrey Kapoor, Ms. Kanishka Mittal, Ms. Deepti Rathi, Advocates.

CORAM:
HON'BLE MR. JUSTICE DINESH MEHTA
HON'BLE DR. JUSTICE ADITI CHOUDHARY

O R D E R

% 13.10.2026

1. The present appeal has been preferred against the order dated 16.07.2026 passed by the learned District Judge (Commercial Court-07), South-East District, Saket Courts, New Delhi, which was passed under Section 9 of the Arbitration and Conciliation Act, 1996 (hereinafter referred to as the '*Act of 1996*'), whereby the application filed by the respondent under Section 9 of the Act of 1996 was allowed.

2. While doing so, the Commercial Court stayed the operation of foreclosure notice dated 04.05.2026 and restrained the appellant from inducting or engaging any third party consultant/agency and from utilizing or deploying the petitioner's consultancy framework, drawings, designs, tender architect, through their parties pending adjudication/dispute through

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arbitration.

3. The appellant-Corporation has challenged the said order contending that the Court was not justified in passing the impugned order and the interim relief of such nature could not be granted.

4. On 21.08.2026, after hearing the learned Counsel for the parties, this Court had passed the following order:-

> "*1. Learned Counsel for the appellant argued that the intention of the appellant was to dispense with the engagement/services of the respondent, being dissatisfied with the services rendered by him. He argued that the appellant though, have invoked Article 10(o) of the Agreement, but for the very same reason, it could well invoke clause (iii) of Article 7 of the Agreement as well. And the legal position would have remained the same.*
> *2. He further argued that if the awarder of the contract or the principal is not satisfied with the services rendered by the Architect, it can, well disengage him or bring an end to the Agreement in accordance with the terms thereof. However, the injunction granted by the Court below, whereby the appellant has been restrained from engaging any other agency, has, in effect, forced the appellant to continue with the respondent, which is impermissible in law and not conducive, given the nature of work.*
> *3. Indisputably, subject agreement contains two Articles, Article 7 and Article 10 – one deals with Termination (Article 7), while Article 10 deals with Foreclosure. Maybe Article 10 has been wrongly invoked but the fact remains that the notice dated 04.05.2026 clearly shows the intention of the appellant that it was not satisfied with the performance. Hence, the appellant's intention was, and the same could be traced in Article 7(iii).*
> *4. Issue notice of stay application. Learned Counsel for the respondent accepts notice.*
> *5. Heard on stay application.*
> *6. The appellant/Housing and Urban Development Corporation shall be free to issue a fresh notice in accordance with law, including a notice under Article 7 clause (iii) of the Agreement and the following portion of paragraph 40 of the impugned order shall remain stayed.*
>
> > *"…..further, the respondent is restrained from inducting or engaging any third party consultant/ agency……."*

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7. In other words, the appellant shall be free to induct or engage any other consultant/agency by issuing fresh advertisement/NIT in accordance with law.

8. Impugned injunction granted by the Court has the effect of even restraining the appellant to invoke Article 7 of the Agreement, which is impermissible in law, in our prima-facie view. The respondent-architect cannot be forced upon the appellant for a professional work which requires a requisite degree of confidence and professional esteem. He can, at best, claim damages by way of claim under the Arbitration and Conciliation Act, 1996."

5. Today when the matter was taken up for consideration, learned Counsel for the parties jointly submitted that both the parties wish to go for arbitration and requested that this court may appoint a sole arbitrator here itself, rather than requiring them to follow the procedure provided under Section 11 of the Act of 1996.

6. Learned Counsel for the appellant, at this juncture submitted that till the Arbitrator decides the claim/counter-claim, interim order passed by this Court on 21.08.2026 be continued.

7. Request made by learned Counsel for the appellant in the present factual and legal matrix appears to be reasonable.

8. We therefore dispose of the appeal and appoint Mr. Pawan Kumar Jain, Former District & Sessions Judge, Delhi (Mobile No. +91 9910384744) as the sole Arbitrator to adjudicate upon the disputes between the parties.

9. The Arbitrator shall be entitled to fee as per *Fourth Schedule* of the Arbitration and Conciliation Act, 1996. Registry is directed to send a copy of this order to the sole Arbitrator.

10. Needless to observe that whatever we have observed in our order shall not be binding upon the Arbitrator and he shall take an independent view of

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the matter, being uninfluenced by the observation made by us, as the same was confined to the adjudication of the order under Section 9 of the Act of 1996.

DINESH MEHTA, J.

ADITI CHOUDHARY, J.

OCTOBER 13, 2026/*naw*

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