

ITEM NO.26+62

COURT NO.9

SECTION IX

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Petition for Special Leave to Appeal (C) Nos. 17350-17351/2025

[Arising out of impugned final judgment and order dated 09-06-2025 in CAA No. 28/2017 09-06-2025 in CAA No. 64/2025 passed by the High Court of Judicature at Bombay]

HLV LIMITED

Petitioner(s)

VERSUS

AIRPORTS AUTHORITY OF INDIA

Respondent(s)

IA No. 151804/2025 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT

IA No. 151803/2025 - PERMISSION TO FILE SYNOPSIS AND LIST OF DATES

ITEM NO.62

SLP(C)NOS. 17352-17353/2025

IA No. 151826/2025 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT

IA No. 164129/2025 - PERMISSION TO FILE ADDITIONAL DOCUMENTS/FACTS/ANNEXURES

IA No. 151825/2025 - PERMISSION TO FILE LENGTHY LIST OF DATES

Date : 21-07-2025 These matters were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE J.B. PARDIWALA

HON'BLE MR. JUSTICE R. MAHADEVAN

For Petitioner(s) :

Mr. Mukul Rohatgi, Sr. Adv.

Mr. Mahesh Agarwal, Adv.

Mr. Rishi Agrawala, Adv.

Mr. Ankur Saigal, Adv.

Ms. Ranjeeta Rohatgi, Adv.

Mr. Ankoosh K Mehta, Adv.

Mr. Raunak Dhillon, Adv.
Ms. Sarah Navodia, Adv.
Mr. Shaswhat Singh, Adv.
Ms. Sukriti Bhatnagar, Adv.
Ms. Isha Malik, Adv.
Ms. Rupal Dugar, Adv.
Ms. Angela Dua, Adv.
Mr. E. C. Agrawala, AOR

For Respondent(s) :Mr. Tushar Mehta, Solicitor General
Mr. N Venkatraman, A.S.G.
Mr. S.k Pandey, Adv.
Mr. Chandrashekhar A. Chakalabbi, Adv.
Mr. Awanish Kumar, Adv.
Ms. Mallika Ranjan, Adv.
Mr. Ojaswa Pathak, Adv.
Mr. Anshul Rai , AOR

UPON hearing the counsel the Court made the following
O R D E R

1. These petitions arise from the judgment and order passed by the High Court of Judicature at Bombay essentially centering around the seminal question whether the disputes and differences relating to eviction and recovery of dues under the lease deeds governing the two parcels of land fall within the scope of the arbitration agreements contained in the lease deeds particularly in the light of the inherent deeming declarations and exclusions contained in the lease deeds.
2. The High Court vide its impugned judgment and order dated 09th June, 2025 has while finally disposing of the appeals filed under Section 37 of the Arbitration Act read with Section 28K of the Airports Authority of India Act (for short "the AAI Act") summarised its final conclusion as under:-

"66.

a) The arbitration agreements executed between AAI and Leela, which are contained in the lease deeds, do not cover within their ambit, the subject matter of eviction of unauthorised occupation by Leela of the leased land, and recovery of associated rent and damages;

b) The parties had explicitly agreed to the position that the land leased to Leela would constitute public premises despite the construction of the building for conduct of business of the hotel and flight kitchen. Therefore, one need not look beyond the contract and into legislation to determine if eviction is excluded from the scope of arbitration;

c) The reference to the Public Premises Eviction Act in each of the lease deeds leads to the identification of the class of disputes and differences for their exclusion from coverage by arbitration. The reference to the said legislation has the effect of affirming the parties' consensual commitment by contract that eviction and related recoveries would fall outside the scope of arbitration. This is not a provision by which AAI is obliged not to avail of statutory powers to effect eviction of unauthorised users of the land;

d) The introduction of Chapter VA in the AAI Act is a new power granted by Parliament after execution of the lease deeds, to enable a public authority such as the AAI to recover its premises being used by persons without authority. Eviction and recovery of lease rentals from public premises being outside the scope of arbitration, whether some other legislation is utilised is of no consequence to the core issue arising in these proceedings. That legislative purpose and objective of the AAI Act is being undermined by the contentions and arguments about such land not being "airport premises" which is neither relevant nor in consonance with the committed contractual position that the land leased to Leela by AAI constitutes public premises;

e) There was no requirement to amend the lease deeds to replace references to Public Premises Eviction Act with references to the AAI Act. Such a course of action was totally unnecessary since what is achieved by the provisions of the lease deeds is to exclude eviction and recovery from arbitration;

f) Both the leases - for the 18,000 Land and the 11,000 Land - have expired. Prima facie, the continued occupation of the land is unauthorised and squarely brings the matter within

the jurisdiction of Chapter VA of the AAI Act. This has no implication for the arbitration agreements, which in any case, provided for eviction of the land under the then applicable law, to be outside the scope of arbitration;

g) Whether or not one could hold that the lease for the 18,000 Land was extended for another 30 years on the same terms without any revision and on the same terms and conditions, is a facet of the matter that can be eminently argued by Leela before the Eviction Officer when attempting to show cause in reply to Eviction Officer's notice. Prima facie, the parties not having actually executed and registered a new lease deed, and the parties having accepted the ad hoc short term extensions of the lease, and the last extension has expired;

h) The filing of the Suit by Leela seeking a declaration that the extension of lease for another 30 years has been granted, undermines Leela's submissions about the dispute being arbitrable. On the contrary, it signals an attempt to litigate across forums, with the hope to continue the status quo and thereby prolong the enjoyment of the leased land at outdated lease rentals and that too beyond the expiry of the contracted lease periods;

i) Past arbitrations in relation to the minimum guaranteed amounts payable under the lease for the 11,000 Land have nothing to do with eviction proceedings. In fact, the Delhi High Court has had occasion to stricture and impose costs on Leela when setting aside an arbitral award confirming that no amounts are payable by Leela in relation to the 11,000 Land - that position attained finality after approach to the Supreme Court;

j) In any event, it is Leela's case that it is ready and willing to hand over the 11,000 Land and therefore it should not have any issue with handing the same over. Any dispute or difference relating to implications of utilisation of FSI entitlements on such land and damages therefor, can indeed be subjected to arbitration;

k) Eviction proceedings shall be conducted by the Eviction Officer in question with due dispatch and if necessary, on a day-to-day basis in accordance with law, Leela is directed to participate in the proceedings to enable completion of the same expeditiously;

l) All disputes and differences other than those relating to eviction and recovery of lease rentals are amenable to arbitration. Considering that this component of the disputes are covered by the arbitration agreement in existence, no

useful purpose would be served by keeping the Section 11 Applications pending and alive. In these circumstances, such components of disputes and differences (other than eviction and related dues) are hereby referred to arbitration by Justice (Retd.) Sanjay V. Gangapurwala, former Chief Justice of Madras High Court and this Court. The parties shall approach the Learned Arbitral Tribunal within a period of one week of the upload of this judgement on the website of this Court to take instructions on how to proceed further in the matter; and

m) Considering the nature of the contentions raised and the implications of long-term protection secured on an interim basis, and considering the quality of the contentions raised by the losing party, costs must follow the event. The costs imposed above shall be honoured by Leela within a period of four weeks from the upload of this judgement on the Court's website."

3. We heard Mr. Mukul Rohtagi, the learned senior counsel appearing for the petitioner, Mr. Tushar Mehta, the learned Solicitor General appearing for the Union of India alongwith Mr.N Venkatraman, the learned A.S.G.

4. The principal argument canvassed by Mr. Rohtagi before us is that as the parties are to go for arbitration, the proceedings under the provisions of the AAI Act for the purpose of eviction are not maintainable.

5. The eviction proceedings have been instituted on the premise that the leases for the two parcels of land have expired. According to the High Court, the continued occupation of the land is unauthorised and would bring the matter within the jurisdiction of Chapter VA of the AAI Act.

6. We tried to understand the principal submission of the learned

counsel by looking into para 66 (l) closely.

7. At the cost of the repetition, we reproduce para 66 (l) as under:-

"l) All disputes and differences other than those relating to eviction and recovery of lease rentals are amenable to arbitration. Considering that this component of the disputes are covered by the arbitration agreement in existence, no useful purpose would be served by keeping the Section 11 Applications pending and alive. In these circumstances, such components of disputes and differences (other than eviction and related dues) are hereby referred to arbitration by Justice (Retd.) Sanjay V. Gangapurwala, former Chief Justice of Madras High Court and this Court. The parties shall approach the Learned Arbitral Tribunal within a period of one week of the upload of this judgement on the website of this Court to take instructions on how to proceed further in the matter"

8. *Prima facie* para 66(l) makes it very clear that the disputes and differences which the Arbitrator has to now look into are the ones other than those relating to eviction and recovery of lease rentals.

9. The two issues i.e. the eviction and the recovery of lease rentals are excluded from Arbitration.

10. However, the argument proceeds further. The arguments proceeds on the footing that since the arbitrator is looking into the other larger issues, why the possession and occupation of the petitioner should be disturbed at this stage.

11. Having gone through the materials on record, more particularly, the impugned order(s) passed by the High Court, there is no good reason for us to say at this stage that the proceedings

instituted under Chapter VA of the AAI Act are without jurisdiction.

12. The Adjudicating Authority under the AAI Act is yet to hear the parties. It shall be open for the petitioner(s) as well as the respondents to put forward all their submissions before the authority.

13. Ultimately, if any adverse order is passed by the authority under the AAI Act, the same is appealable.

14. At this point of time, we see no good reason to interfere with the impugned judgment and order(s) passed by the High Court.

15. We keep all submissions open for both the sides to be canvassed before the authority concerned.

16. The petitions stand disposed of accordingly.

17. Pending application(s), if any, stands disposed of.

(CHANDRESH)
ASTT. REGISTRAR-cum-PS

(POOJA SHARMA)
COURT MASTER (NSH)