

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION**

**INTERIM APPLICATION NO.13342 OF 2025
IN
WRIT PETITION NO.4856 OF 2018**

M/s. PVP Star Hotels Private Limited,
a Company duly incorporated under the
Provisions of the Indian Companies Act,
1956, having its current Corporate Cum
Office address No.27, 2nd Floor, Mahavir
Center, Plot No.77, Sector-17, Vashi,
Navi Mumbai, District - Thane,
Pin Code- 400703.

...Applicant
Org. Petitioner No.1

IN THE MATTER BETWEEN:

1. M/s. PVP Star Hotels Private Limited,
a Company duly incorporated under
the Provisions of the Indian Companies
Act, 1956, having its current Corporate
Cum Office address No.27, 2nd Floor,
Mahavir Center, Plot No.77, Sector-17,
Vashi, Navi Mumbai, District- Thane,
Pin Code- 400703.
2. Mr. Sanjeet Raut,
an Indian Inhabitant, an adult,
Director of Petitioner No.1,
having his address at No.27, 2nd Floor,
Mahavir Center, Plot No.77, Sector-17,
Vashi, Navi Mumbai, District- Thane,
Pin Code- 400703.

...Petitioners

Versus

1. The State of Maharashtra,
Through the Secretary, Urban Development
Department, having office at Mantralaya,
Mumbai- 400 032.

2. City and Industrial Development Corporation of Maharashtra Ltd., through its Vice Chairman and Managing Director, a Corporation having its registered office at Nirmal, 2nd floor, Nariman Point, Mumbai- 400 021 and other office at CIDCO Bhavan, CBD Belapur, Navi Mumbai- 400 014, District- Thane.
3. Manager (Town Services-I), City and Industrial Development Corporation of Maharashtra Ltd., having office at CIDCO Bhavan, CBD Belapur, Navi Mumbai- 400 614, District- Thane. ...Respondents

Mr. Milind Sathe, Sr. Counsel a/w. Adv. Bhushan Deshmukh, Mr. Abinash Pradhan, Ms. Garima Agrawal & Mr. Yash Dedhia i/b Wadia Ghandy & Co., for the Applicant.

Smt. M. P. Thakur, AGP for the Respondent No.1-State.

Mr. G. S. Hegde, Sr. Counsel a/w. Ms. Pinky Bhansali, Mr. Rahul Sinha, Mr. Soham Bhalerao, Mr. Harshit Tyagi i/b. P. M. Bhansali, for the Respondent Nos.2 and 3.

**CORAM : A.S. GADKARI AND
SHYAM C. CHANDAK, JJ.**

**RESERVED ON : 24th NOVEMBER, 2025.
PRONOUNCED ON : 10th DECEMBER, 2025.**

JUDGMENT :- (PER SHYAM C. CHANDAK J.)

- 1) Heard Mr. Sathe, learned Senior Counsel for the Applicant, Smt. Thakur, the learned AGP, for the Respondent No.1-State and Mr. Hegde, the learned Senior Counsel for the Respondent-CIDCO.
- 2) Present application seeks the following reliefs.

- a) That this Hon'ble Court be pleased to clarify / direct that the Applicant/Petitioner No.1 will be entitled to undertake and complete the construction on the said Property granted on leasehold basis under the Lease Agreement dated 14th December, 2007 / Modified Lease Agreement dated 9th July 2025, as permissible under Unified Development Control and Promotion Regulations for Maharashtra State and as per the policies of CIDCO / Respondent No.2, on payment of all applicable charges and premium for that purpose;
- b) For such further and other orders/reliefs as this Hon'ble Court deems fit and proper in the facts and circumstances of the case.
- 3) Facts in brief are that, in December 2006 the Respondent No.2 had issued a tender bid as Scheme No. MM-1/02/2006/2007, in respect of its Plot Nos.15 and 16, admeasuring about 10377.50 sq. meters situated in Sector-15, CBD-Belapur, Navi Mumbai, District Thane (**"the suit plot"**), to construct a "Star Hotel" there. In the said bid, the Application of M/s. PVP Ventures Pvt. Ltd. (**"the Original Allottee"**) was accepted by Respondent No.2. Accordingly, an Allotment Letter dated 27.07.2007 was issued to the said allottee in respect of the suit plot against payment of Lease Premium of Rs.82,70,46,900/- and Misc. Charges of Rs.5,25,350/-. Applicant/Original Petitioner No.1 was a subsidiary company of the said Allottee. Hence, said entire amount was paid by the Applicant. Later on, as requested by Original Allottee M/s.

PVP Ventures Pvt. Ltd., Respondent No.2, by its letter bearing Ref. No. CIDCO/MM-/PLT/Star Hotel/2007/417 dated 29.11.2007 transferred all the benefits in the suit plot in favour of the Applicant, *Interalia* specifically mentioning that all the terms and conditions of the scheme booklet will remain unchanged and binding. This was followed by a registered 'Agreement to Lease' ("**the Agreement**") of the suit plot, duly executed by Respondent No.2 in favour of the Applicant. The suit plots were put in the possession of the Applicant.

3.1) Applicant thereafter, obtained certain prior approvals, Environmental Clearance Certificate etc., those were needed to start the desired work. Accordingly, the Applicant started the activities (shore piling, excavation etc.) to develop the suit plot as a Star Hotel, as per the Agreement and building plan etc.

3.2) As per the said Agreement, the work was required to be commenced within 12 months and to be completed within 5 years from the date of the Agreement. The extension of time was allowed subject to payment of additional lease premium. The Petitioners commenced the development work on time, but could not complete it within the stipulated 5 years period due to the circumstances stated in the Writ Petition. Hence, the Applicant by its letters dated 27.11.2012, 09.02.2014 and 21.06.2016, addressed to the Respondent Nos. 2 & 3,

requested for extension of the time to fulfill the obligations under the said Agreement.

3.3) However, Respondent No.3 issued a notice dated 30.09.2016 thereby calling upon the Applicant to show cause as to why the Agreement to Lease shall not be terminated and possession of the suit plot be not taken back on account of the delay in completion of the work. The Applicant by its reply dated 04.01.2017 responded that show cause notice contending that, it is bad in law and hence it be withdrawn forthwith. Thereafter, the parties exchanged some more correspondence. Finally, the original Respondent No.2 heard the Applicant and original Respondent No.3 and passed the Order dated 31.07.2017, thereby the said show cause notice was withdrawn and the prayer for extension of the time was granted, subject to payment of additional lease premium and executing a Bank Guarantee of Rs.5 Crore.

3.4) However, the Applicant raised a grievance that the said Order dated 31.07.2017 did not deal with the submissions made on behalf of the Applicant and made additional correspondence. In turn, Respondent No.2 issued a letter/Order dated 13.11.2017 and partially modified the Order dated 31.07.2017. On this occasion, the Applicant was allowed a waiver of the additional lease premium for the period from dated 14.12.2012 to 01.07.2016 and granted a 3 years extension

from dated 23.10.2017 to 22.10.2020, subject to execution of the Bank Guarantee. Yet, by a letter dated 24.11.2017, the Applicant requested the Respondent Nos.2 and 3 to allow the waiver of the additional lease premium up-to passing of the Order dated 13.11.2017 in place of up-to 01.07.2016 and requested to withdraw the condition to furnish the Bank Guarantee.

3.5) In turn, the Respondent No.3 by its Notice dated 02.01.2018 informed the Applicant that, the submissions dated 24.11.2017 were not accepted by the Respondent Nos.2 and 3 and directed the Applicant to pay the additional lease premium of Rs.16,91,56,705/- for extension of the period from date 01.07.2016 to 30.06.2018 and execute the Bank Guarantee of Rs.5 Crore and that, only then the modified Agreement shall be executed. Thereafter the Applicant entertained some more correspondence. However, the Respondent No.3 by his Notice/Order dated 02.04.2018 sought for termination of the Agreement and taking forceful possession of the suit plot on 17.04.2018, conveyed that, the Orders dated 31.07.2017 and 13.11.2017 stood withdrawn. However, the Applicant contested that Notice/Order raising various contentions. At some point of time, the Respondent Nos.2 and 3 did not give any response nor withdrew the alleged termination Order dated 02.04.2018. Therefore, the Applicant filed the aforesaid Writ Petition on 16.04.2018.

Respondent Nos.2 and 3 filed an Affidavit-in-Reply and resisted the Petition on various grounds including that they had taken the possession of the suit plot. The main contentions of the Respondent Nos.2 and 3 were that, there was complete violation of the terms and conditions stated in the Agreement, by the Petitioners. The Petitioners assigned their rights in the suit plot to other entities, without permission from the CIDCO, in violation of the Agreement and relevant regulation. That apart, the reply of the Applicant was also not satisfactory. It was contended that, in the capacity of New Town Development Authority, the Respondent No.2 is required to ensure that the development of land takes place in a time bound manner, so as to benefit the general public. It was contended that there was no restraint upon the Petitioners to develop the said plot and the Petitioners were free to commence and complete the construction, if they had so desired. It was contended that the Petitioners were under obligation to act as per the terms and conditions stated in the Agreement to Lease. It is contended that in spite of various serious violations on the part of the Petitioners, in the interest of justice, the Respondent No.2 heard the Petitioners and passed the Order dated 31.07.2017. The non-observance of the terms and conditions stated in the Agreement caused a negative effect on the growth of the city. Hence, the Respondent No.2 decided to terminate the

Agreement dated 14.12.2007 in the public interest. Accordingly, the Agreement was terminated and the license to enter upon the said land stood revoked. As a result, the Order dated 31.07.2017 and the letter dated 13.11.2017 issued to the Petitioner No.2 were withdrawn and the possession of the suit plot was taken on 17.04.2018, by recording necessary panchnama.

4) After hearing the parties and considering their rival submissions, the Writ Petition was allowed by the Judgment dated 13th March 2025 and, following Order was passed :

“17.1) Hence, following Order :-

1) The impugned Show Cause Notice dated 30.09.2016, Termination Notice dated 24.04.2017, Order dated 31.07.2017, the Demand Notice. Order 02.01.2018 and the Termination Notice/Order dated 02.04.2018 issued by Respondent Nos.2 and/or 3, are set aside and substituted as under.

i) The Petitioner No.1, i.e., M/s. PVP Star Hotels Pvt. Ltd. shall be granted waiver of additional lease premium for the period from dated 14.12.2012 to 01.07.2016.

ii) The Petitioners shall complete all the requirements and take all the permissions necessary to construct the Star Hotel at the suit plot as per the Agreement and complete the construction of the hotel and obtain the Occupancy Certificate within a period of three years from the date of receiving possession of the suit plot from the Respondent Nos.2 and/or 3, as stated

by the Petitioners and noted in the forgoing paragraph 16.

iii) The aforesaid extension of three years time is subject to a condition that the Petitioners shall pay the additional lease premium of Rs. 16,91,56,705/- for the period from 01.07.2016 to 30.06.2018, to the Respondent No.2 within four months from the date of this Order alongwith interest thereon from date 01.07.2018 till the date of this Order, as per the Rules and/or Regulations of the Respondent No.2/CIDCO.

iv) Petitioners shall also furnish the Bank Guarantee of Rs.5 Crore of any nationalized bank. If the Petitioner No.1 produces the Building Completion Certificate/Occupancy Certificate within the given time frame, the Bank Guarantee shall be returned back to the Petitioner No.1 and in case of any default, the Bank Guarantee shall be forfeited by the Respondent Nos. 2 and/or 3. Said Bank Guarantee to be furnished within the said four months period.

v) On making the payment of Rs.16,91,56,705/- and furnishing the Bank Guarantee as above within the said four months period, the Respondent Nos. 2 and 3 shall execute the modified Agreement to Lease and handover the possession of the suit plot to the Petitioners.

vi) In the event of the Petitioners failing in complying with the aforesaid directions, this Order shall stand vacated and the Termination Notice/Order dated 02.04.2018 issued by Respondent No.3, which is impugned herein, shall stand automatically restored, without reference to this Court.

2) Petition is allowed in the aforesaid terms. Rule is accordingly made absolute.

3) In view of disposal of the Petition, Interim Application Nos. 4369 of 2023 and 7943 of 2023 do not survive and both the Applications are accordingly disposed off.”

5) The said Order was assailed by one intervenor filing a Special Leave Petition (Civil) Diary No. 31597 of 2025 before the Hon'ble Supreme Court, which was dismissed as withdrawn on 13.10.2025.

6) The Applicant pursuant to the said Order has paid a sum of Rs.38,03,58,644/- towards the additional lease premium (including the interest and GST thereon) on 08.7.2025 and furnished the Bank Guarantee for a sum of Rs. 5 Crores to CIDCO. Accordingly, in terms of the said Order, CIDCO executed a modified Lease Agreement dated 09.07.2025. Additionally, on 09.07.2025, itself, the possession of the said property was handed over by CIDCO to the Applicant.

7) As per the Order dated 13.03.2025, the Applicant is required to construct the Star Hotel within the specified time. In terms of the modified Lease Agreement, the Applicant is required to complete the construction as per the directions contained in the said Order. Under the applicable policies of CIDCO and applicable UDCPR (Unified Development Control and Promotion Regulations for Maharashtra State.), the Applicant is entitled to construct the hotel and/or any building as per permissible user.

8) In terms of the Lease Agreement read with the Modified Lease Agreement, upon payment of charges/premium, the Applicant

would have been entitled to complete the construction for a user as permissible under UDCPR. The Applicant accordingly made an application to CIDCO on 15.07.2025 to allow it to construct on the said property, a building for permissible commercial user. However, instead of a Star Hotel, the Applicant sought permission to construct the commercial building.

9) In response to the Applicant's application dated 15.07.2025, CIDCO on 27.10.2025 replied as follows:

"... the Planning Authority, NMMC vide referred as (2) has stated that as per the provisions under the UDCPR, commercial use is permitted on the subject plot. However though it is permissible as per CIDCO's policy and as per UDCPR but, by Order dated 13.03.2025 in Civil Writ Petition 4856 of 2018, the Hon'ble High Court has directed you, "to take all the permissions necessary to construct the Star hotel at the suit property as per the agreement and complete the construction of the hotel and obtain OC within a period of three years from date of receiving possession of the suit plot from CIDCO"

Hence, your application cannot be considered at this stage."

10) Mr. Sathe, the learned Senior Counsel urged that, pursuant to this Court's Order dated 13.03.2025, the parties executed a modified Agreement. "Clause 6" therein provides that, *"The licensee shall be entitled to develop the Plot in accordance with the conditions under UDCPR 2020 applicable to the Navi Mumbai"*. The learned Senior

Counsel urged that, in the wake of this “Clause 6” in the Agreement, the Applicant is entitled to construct a building for permissible commercial user/commercial building, in terms of applicable policies of CIDCO and UDCPR. The Applicant is ready to pay all necessary charges/premium for undertaking the commercial construction as per applicable laws and rules. Mr. Sathe, the learned Senior Counsel submitted that the authorities, *i.e.*, land-owning authority, CIDCO and the planning authority, NMMC (Navi Mumbai Municipal Corporation) are willing to allow the Applicant to construct as per UDCPR. This submission is not controverted by Mr. Hegde, the learned Senior Counsel appearing for the Respondent.

10.1) Dr. Sathe submitted that, however in view of this Court’s Order dated 13.03.2025, which has indicated construction of a Star Hotel, the authorities require clarification that the Applicant can undertake construction on the said property in terms of UDCPR and the applicable policies and circulars of CIDCO and NMMC. Mr. Sathe, the learned Senior Counsel therefore submitted that, it is necessary, just and equitable that this Court may be pleased to clarify/direct that the Applicant/Petitioner No.1 will be entitled to undertake and complete the construction on the said property, as permissible under Unified Development Control and Promotion Regulations for Maharashtra State

and as per the policies of CIDCO/Respondent No. 2, on payment of all applicable charges, premium, as per the applicable policies, circulars of CIDCO and NMMC.

10.2) Mr. Sathe, the learned Senior Counsel submitted that, till date, the Applicant has invested about Rs.140 crores pursuant to the Agreement in question. Considering the facts and circumstances of the case, the Respondent-CIDCO also wants the Applicant to complete the project at the subject matter plots. If the Respondents accede to the request of the Applicant conveyed in its Application to CIDCO on 15.07.2025, it will not cause any grave irreparable loss, harm and injury to the Respondents. The commercial use will also generate constant revenue to the Respondents. The intervenor who had challenged the said Order dated 13.07.2025, was not successful in the said SLP before the Apex Court.

11) In the case of *Gagan Banga and Another Vs. State of West Bengal and Others*¹ in paragraph 11 it is observed that “... in *Common Cause v. Union of India*², it was affirmed that if a clarification application is, in substance, seeking review of the judgment and that attempt is made by disguising it as a clarification application so as to

¹ 2024 SCC OnLine SC 2608

² (2004) 5 SCC 222

have a hearing in open Court, avoiding the procedure governing review petition, such an attempt should be deprecated.”

However, in our considered view, this Application is not a direct or indirect request for review but only a clarification because, according to the submissions by Mr. Hegde, the prayer in the Application is in consonance with the said “Clause 6” of the modified Agreement. Needless to state that the said modified Agreement is the will of the parties and “Clause 6” has been incorporated as per their understanding.

The Order dated 13.03.2025 is executory in nature. As held in case of ***Jaipur Vidyut Vitran Nigam Ltd. and Others Vs. Adani Power Rajasthan Ltd. and Another***³, in para 25, “... *A post disposal application for modification and clarification of the order of disposal shall lie only in rare cases, where the order passed by this Court is executory in nature and the directions of the Court may become impossible to be implemented because of subsequent events or developments. ...*.”

12) In the wake of above and having regards to the reasons which had persuaded us to allow the aforesaid Writ Petition, it is hereby clarified that the Applicant and the Respondents are at liberty to act according to the terms and conditions of the earlier Agreement dated 14.12.2007 and the modified Agreement dated 09.07.2025 and subject

³ 2024 SCC OnLine SC 313

to the applicable Rules, policies, notifications etc. and payment of applicable charges, premium including other fees/amounts as are/will be applicable in the case.

12.1) The Application is allowed in terms of prayer clause (a) and is made absolute in aforesaid terms.

(SHYAM C. CHANDAK, J.)

(A.S. GADKARI, J.)