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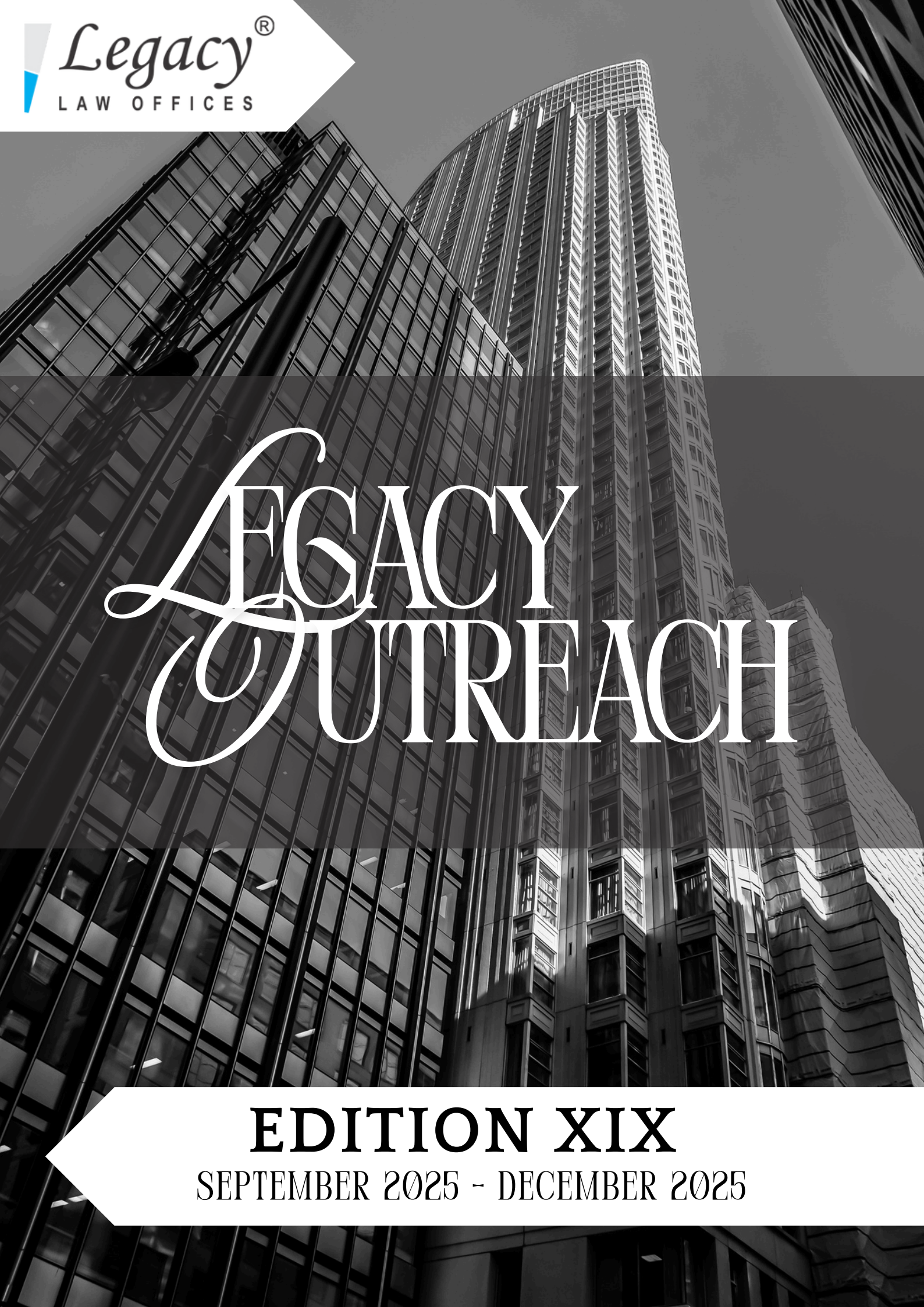

LEGACY OUTREACH

EDITION XIX

SEPTEMBER 2025 - DECEMBER 2025

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INDEX

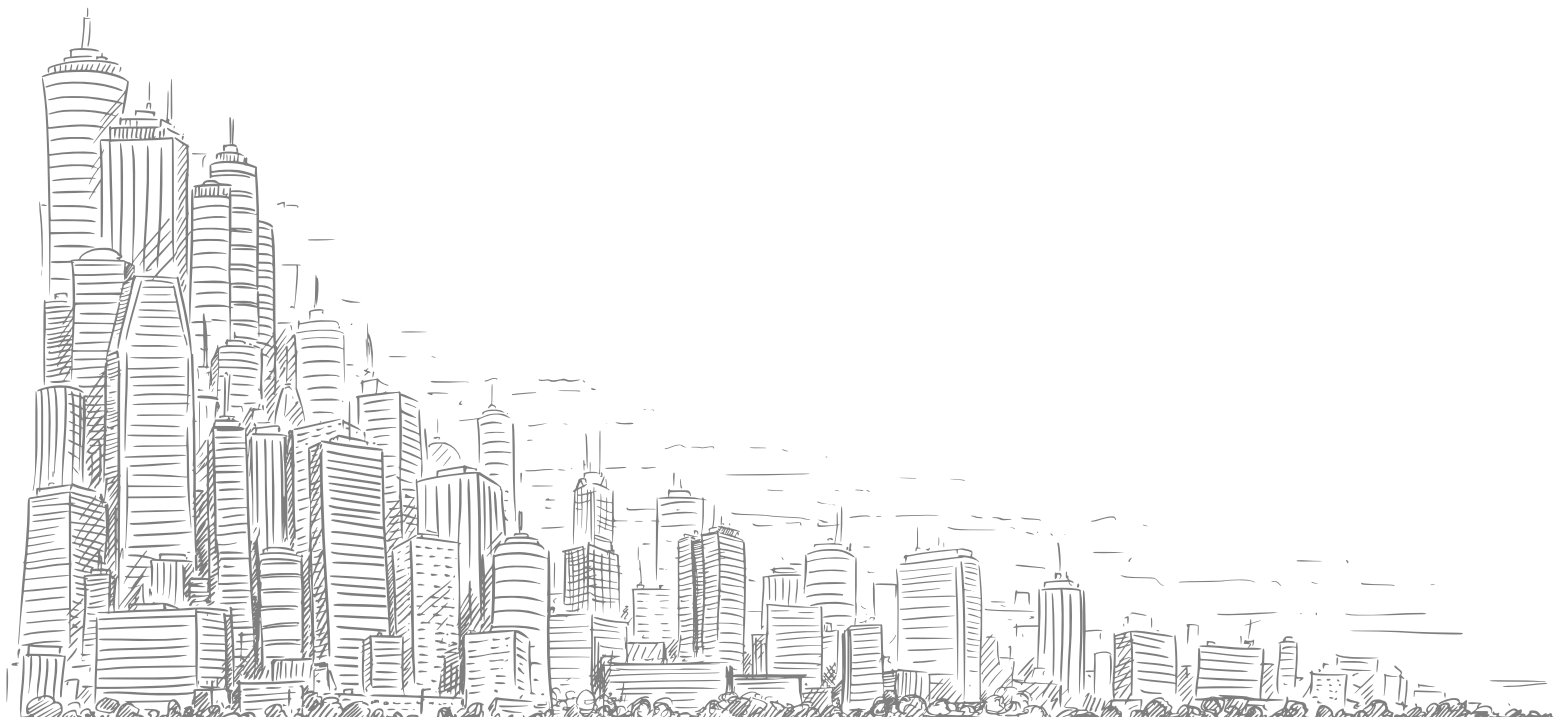
EDITION XIX

BIDDING ADIEU TO 2025

The year 2025 marks another significant chapter for **Legacy Law Offices LLP**, reflecting our steady rise as a leading legal institution in India. Through consistent dedication and sectoral expertise, Team Legacy has continued to achieve remarkable growth and recognition across the legal industry.

In recent years, the Firm has earned several prestigious accolades. Legal 500 Asia-Pacific has ranked Legacy as a **'Leading Law Firm'** in Projects, Infrastructure & Energy. We have also been recognized as a **'Recommended Firm'** for four consecutive years and a **'Notable Firm'** by Benchmark Litigation for our work in Construction, Government & Regulatory, and Employment & Labour laws. The India Business Law Journal named Legacy an '**Award-Winning Law Firm'** , while ReSight India 2025 listed us among the **Top 100 Law Firms** in India. Additional recognitions from AsiaLaw and IFLR1000 Asia-Pacific underscore our strength in the practice areas of Project Development, Capital Markets, and Dispute Resolution.

These achievements have been in addition to recent recognitions across leading global directories, including acknowledgments as a '**Recommended Lawyer'** and '**Top-Tier Practitioner'** by Legal 500, '**Highly Regarded Lawyer'** by IFLR1000, recognitions such as '**Distinguished Practitioner'** and '**Notable Practitioner'** by AsiaLaw, and honours such as '**Litigation Star'** and '**Rising Star'** by Benchmark Litigation and IFLR1000, respectively. Additionally, our Managing Partner has been featured in premier industry rankings and has received prestigious honour such as the **IBLJ A-List,** reflecting continued excellence and leadership in the legal profession.



ROLE OF ANCHOR INVESTORS AND INSTITUTIONAL QUOTAS IN IPO

Who are Anchor Investors?

An anchor investor is a type of institutional investor who steps in prior to an Initial Public Offering (IPO), acting as a catalyst for a company aiming for a strong market debut.[1] One or more entities can participate together in this role. These investors purchase shares ahead of the IPO launch, helping to instil confidence among other potential investors that also enhances the company's valuation, and strengthen shareholder returns. As strategic participants, they contribute to greater market stability and value by making informed investment decisions based on the issuer's performance. By absorbing a meaningful quantum of the issue upfront, anchor investors reduce the risk of undersubscription and provide a buffer against immediate flips, enhancing post-listing stability.[2] Anchor investors and institutional quotas play a crucial role in the price discovery process of an IPO. In India, IPOs are typically priced through a book-building mechanism, where demand from various investor categories helps determine the final offer price.[3] The participation of anchor investors, which generally includes large institutional entities such as mutual funds, insurance companies, and sovereign wealth funds, provides an early and informed signal about the company's valuation. Their commitment ahead of the public issue helps reduce information asymmetry between issuers and retail investors. According to SEBI's Consultation Paper on Anchor Investor Allocation and Retail Quota in IPOs (July 2025), increasing the institutional portion reflects market realities and ensures demand stability during price discovery.[4] Beyond pricing efficiency, anchor investors contribute significantly to market confidence. Their early participation signals credibility and institutional trust in the issuer. When prominent institutions such as the Life Insurance Corporation of India or SBI Mutual Fund participate as anchors, it sends a strong message to the market that the issue has been vetted by seasoned investors.[5] This institutional endorsement draws broader investor interest and supports healthy subscription levels across categories. Anchor investments in Indian IPOs surged by nearly 300 percent in FY25 to approximately ₹26,508 crore, underscoring the growing institutional confidence in India's primary market.[6] These large pre-IPO commitments help reduce perceived risk and promote stability in the aftermarket by discouraging speculative behaviour. SEBI's 2022 amendment extending the lock-in period for anchor investors to 90 days for half their allotment further reinforces their stabilising influence post-listing, preventing abrupt selloffs. [7].

Regulatory Framework Governing Anchor Investors

The current regulatory framework for anchor investors and institutional quotas in India is governed primarily by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, also known as the ICDR Regulations. These regulations prescribe eligibility criteria, allocation limits, application sizes, and lock-in requirements for anchor investors under Regulation 43 and Schedule XIII. Over time, SEBI has actively refined this framework to enhance transparency, stability, and investor protection.[8]

The SEBI (ICDR) Amendment Regulations, 2022 extended the anchor investor lock-in period from 30 to 90 days for 50 percent of the allotment to discourage early exits and promote post-listing stability. In 2023, SEBI further modified procedural rules for anchor allotments and Qualified Institutional Buyer quotas to streamline disclosures. [9].

SEBI's 2025 Reforms and Proposed Changes

In 2025, SEBI issued a Consultation Paper on Anchor Investor Allocation, Long Term Institutional Participation, and Retail Quota in IPOs dated 31 July 2025.[10] The proposals sought to increase the anchor investor quota within the QIB portion from 30 percent to 40 percent, include long-term institutions such as pension and insurance funds within the anchor category, and rebalance institutional quotas by allowing up to 60 percent of IPO allocations to QIBs for large issues while reducing the retail share to 25 percent in mega offerings[11]. SEBI also proposed increasing the number of permitted anchors allottees for very large IPOs and expanding eligibility beyond domestic funds. These evolving reforms reflect SEBI's effort to align India's IPO framework with global best practices while ensuring that price discovery, investor confidence, and equitable participation remain central to the capital-raising process.[12]

Anchor Allotment in IPOs

Anchor investors are allotted shares one working day before the IPO opens to the public. The allocation is drawn from the QIB category, and the anchor portion typically represents up to 60 percent of the QIB quota. Only institutional investors such as mutual funds, foreign portfolio investors, insurance companies, and pension funds qualify as anchors. [13]. The process involves the issuer identifying anchor participants and fixing the allocation price at the upper end of the IPO price band.

All anchor allotments must be disclosed to the public, and shares allotted are subject to a lock-in period of 30 and 90 days as per SEBI's 2022 amendment. This mechanism ensures that the IPO receives a strong signal of institutional endorsement before retail bidding begins. For issuers, anchor participation functions as a seal of approval, while for investors, it acts as a market-based quality certification.[14] SEBI's July 2025 consultation further proposes expanding the anchor book for large issues, increasing the permissible number of anchors allottees, and formalising participation by global long-term funds.[15] These measures aim to enhance liquidity depth and align the Indian market with mature jurisdictions such as Singapore and Hong Kong, where anchor and cornerstone investors play a similar role. Under the existing ICDR framework, IPOs are divided among three investor categories: Qualified Institutional Buyers, Non-Institutional Investors, and Retail Investors. The split reserves 50 percent of the issue for QIBs, 15 percent for NIIs, and 35 percent for retail participants. Anchor investments form part of the QIB allocation. The 2025 proposals seek to raise institutional allocations to 60 percent and increase anchor reservations, particularly for large-cap IPOs exceeding ₹5,000 crore. SEBI's rationale for such recalibration is to improve price discovery by increasing the participation of informed, long-term capital, to stabilise post-listing performance by relying more on disciplined institutional investors, and to balance retail protection by ensuring smaller investors are not exposed to valuation volatility while maintaining access through defined quotas. These adjustments are designed to foster a mature market ecosystem where institutional participation complements retail enthusiasm, leading to more sustainable IPO outcomes.[16]

Empirical data shows that strong anchor participation improves both subscription strength and listing stability. In the NSDL IPO of July 2025, anchor commitments worth over ₹1,500 crore led to full subscription within hours of launch, demonstrating their signalling power.[17] Conversely, IPOs with weak anchor participation often experience volatile demand and subdued aftermarket performance. Market observers frequently note that the identity of anchor investors, particularly the presence of domestic mutual funds or sovereign funds, serves as a key indicator of likely listing performance. The lock-in provisions ensure that anchor investors remain invested through the early trading period, mitigating excessive volatility. By mandating staggered lock-in release periods of 30 and 90 days, SEBI discourages quick exits and aligns anchor behaviour with long-term company performance.[18] The surge in anchor investments to ₹26,508 crore in FY25 indicates a growing institutional appetite for primary market exposure and underlines India's emergence as one of the most active IPO markets globally.[19]

Regulatory Approach

For issuers, the presence of high-quality anchor investors can materially affect valuation outcomes. Studies from NSE and SEBI working papers have shown that IPOs with diversified anchor participation, including foreign portfolio investors and mutual funds, tend to achieve narrower price bands, higher subscription levels, and more stable listing-day performance. The presence of reputed institutions acts as a reputational endorsement, helping companies raise funds at more efficient pricing while lowering underwriting risks. At the same time, SEBI continues to tighten disclosure norms to ensure that anchor participation remains transparent.[20] All anchor allotments must be disclosed a day before the issue opens, with the names of investors and the number of shares allotted.[21] This disclosure serves both a signalling and compliance function, giving the market early insight into who the major backers of the IPO are. Anchor investors also play a pivotal role in strengthening market discipline. Since these are typically regulated institutional entities such as mutual funds, foreign portfolio investors, insurance companies, and banks, their participation encourages better due diligence standards and enhances issuer accountability.[22] In recent years, SEBI has even encouraged SME and startup-focused IPOs to voluntarily engage institutional anchors, particularly when raising funds on SME exchanges, to attract credible long-term investors and improve transparency. Still, the framework is not without its challenges. Heavy institutional allocations can crowd out retail participation, reducing the democratisation of IPO access. There are also concerns that anchors might exercise undue influence on pricing by virtue of their early entry, though SEBI's price band norms and mandatory disclosures mitigate this risk. Moreover, if anchors offload their shares shortly after the 90-day lock-in, markets may face temporary volatility, as seen in certain mid-cap IPOs where anchor exits coincided with price corrections.

Challenges

However, this increasing institutional dominance also raises legitimate questions about retail participation and equitable access. Retail investors, traditionally the backbone of India's IPO sector, may find reduced allotments under the proposed higher institutional quotas. SEBI has acknowledged this trade-off, noting that retail investors benefit indirectly from improved price discovery and reduced volatility. Moreover, the regulator's push for digital application platforms, simplified UPI payment systems, and transparent allotment disclosures continues to empower small investors, ensuring their confidence remains intact even as institutional capital expands its share.[23]

Another key policy rationale behind anchor expansion is the encouragement of long-term capital. SEBI's consultation notes that the inclusion of pension and insurance funds, entities with extended investment horizons, would anchor IPOs with patient money rather than short-term arbitrage capital.

Conclusion

SEBI's regulatory approach therefore balances flexibility with caution. By expanding the anchor category to long-term funds while extending lock-in periods, the regulator ensures that stability rather than speculation defines pre-IPO institutional behaviour. This combination of wider eligibility, higher disclosure standards, and staggered lock-in design demonstrates SEBI's nuanced understanding of India's evolving investor base. In conclusion, anchor investors serve as both market validators and stabilisers, bridging the gap between issuers and investors during the IPO process. SEBI's evolving reforms, from extending lock-in periods in 2022 to proposing expanded anchor categories and institutional quotas in 2025, illustrate India's ongoing journey toward a more resilient capital market ecosystem.[24] As India witnesses record IPO activity, the careful balance between institutional depth and retail inclusion remains crucial. By promoting transparency, accountability, and long-term participation, SEBI's framework continues to strengthen confidence in India's IPO market, ensuring that anchor investors truly anchor both market trust and price discovery.[25]

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CHILDREN'S DATA PRIVACY IN EDTECH: A COMPARATIVE VIEW OF DPDPA AND COPPA

Introduction

The rapid expansion of Education Technology (EdTech) platforms has fundamentally transformed how learning takes place in India. What began as an emergency response during the COVID-19 pandemic has now evolved into a mainstream mode of instruction, reshaping traditional classrooms and making digital learning widely accessible. Yet, this increasing dependence on online educational tools has heightened concerns surrounding the privacy and safety of children, who often lack awareness about how their personal data is collected, stored, or shared.[1]

India's **Digital Personal Data Protection Act, 2023 (DPDPA)**, together with the newly notified **Digital Personal Data Protection Rules, 2025**, marks a significant shift in the country's data governance landscape. The law recognizes the need for extended safety measures for children, and place heightened obligations on Data Fiduciaries processing their data. These duties include obtaining verifiable parental consent, limiting tracking/ behavioral monitoring, and prohibiting targeted advertising directed at minors. The 2025 Rules further operationalize these safeguards. They set out the techno-legal measures required for processing children's data and lay down clearer methods for identification and age verification. The rules also identity specific exemptions for educational and childcare institutions, but only under controlled conditions.

The newly published Rules come in rescue of processing of children's data on EdTech platforms that has become an urgent regulatory and ethical concern. A comparative analysis with the United States' long-standing Children's Online Privacy Protection Act (COPPA) offers valuable insights into how dedicated enforcement models can shape sector-wide compliance.

As India advances its data protection framework through the introduction of the 2025 Rules, a comparison with COPPA's long-standing enforcement model offers useful reference points. Examining the two regimes side by side helps illustrate how different jurisdictions approach the protection of minors' data.

India's Standpoint on Children's Data Privacy in EdTech

Under Section 2(f) of the DPDPA, a 'child' is defined as any individual below age of 18 years.[2] Section 9 of the Act strictly restricts the processing of a child's personal data without obtaining verifiable parental consent. On the other the Digital Personal Data Protection Rules, 2025, provide detailed operational requirements to give effect to statutory principles. Moreover, it prohibits tracking, behavioral monitoring, and targeted advertising directed at minors, emphasizing that any data processing must be conducted in the interests of the child and not otherwise.

A. Verifiable Parental Consent and Age Verification:

Platforms must obtain explicit, verifiable consent from a parent or guardian before processing a child's data. The Rules prescribe reliable identity checks such as using identity and age details already available with Data Fiduciary, or a virtual token mapped to identity and age of a child issued by any authorized entity (including a Digital Locker Service provider). In addition, these platforms are also required to maintain detailed records and audit trails of consent and verification activities.[3]

B. Prohibition on Behavioral Tracking and Targeted Advertising: The Rules clearly ban the use of identifiers, cookies, or device fingerprinting to track children's online activities. Targeted marketing or advertising to minors is strictly prohibited, ensuring children's data is not commercially exploited.[4]

C. Data Minimization and Purpose Limitation: Data Fiduciaries must limit data collection to what is strictly necessary for delivering educational or welfare services and delete data securely once its purpose is fulfilled.[5]

D. Limited Exemptions for Educational Institutions: Narrow exceptions permit schools, childcare providers, and healthcare facilities linked to educational settings to process children's data without explicit parental consent but only for critical purposes such as safety, attendance tracking, transport management, or medical care. These exemptions do not allow profiling or advertising.

E. Security Safeguards and Breach Notification: Platforms must implement strong security measures such as encryption, access controls, audits, to protect data integrity and confidentiality. The Rules also mandate prompt breach notification to the Data Protection Broad (DPB) and affected individuals in the event of data compromise.[6]

Enforcement Landscape and Judicial Developments in India

The DPDPA empowers the DPB to actively oversee compliance with the DPDPA and Rules, including the new provisions related to children's data privacy. The DPB has the authority to conduct audits, issue directions, impose penalties, and block services of Data Fiduciary that fail to comply with data protection obligations.[7]

This institutional presence marks a significant step in India's data governance ecosystem, enabling enforcement actions tailored to sectors such as EdTech. The effectiveness of the DPB's oversight in ensuring adherence to the stringent child data protections will be critical as the sector continues to grow.

The Indian courts have increasingly recognized the risks minors face online. In ***Sneha Kalita v. Union of India***[8]***,*** the Supreme Court emphasized the need for stronger monitoring of harmful online content affecting children. More recently, in ***Just Rights for Children Alliance and Ors. v. Harish and Ors.*** [9], the Supreme Court stressed the responsibility of digital intermediaries to prevent child sexual abuse content online. While these judgments underscore a broad protective duty, they do not specify sectoral mandates for EdTech platforms, leaving regulatory details to the DPDP Acts and Rules.

COPPA's Framework and How It Differs from India's DPDPA

The United States regulates children's online privacy through the COPPA, a federal statute enforced by the Federal Trade Commission (FTC). COPPA applies to operators of websites and online services directed at children under 13, as well as platforms that knowingly collect personal information from minors in this age group. The law requires operators to obtain verifiable parental consent before collecting, using, or disclosing a child's data. It also mandates clear privacy notices, data minimization, and reasonable security safeguards. Parents retain the right to review, delete, or withdraw consent for their child's information at any time. A key characteristic of COPPA is its enforcement-led structure. The FTC actively investigates non-compliance and has pursued high-profile enforcement actions against companies operating in digital entertainment, educational content, and gaming.

Cases such as ***United States v. Google LLC and Youtube LLC*** [10] and ***United States v. Epic Games Inc.*** [11] illustrate how persistent identifiers, behavioral tracking, or default communication features used by minors can breach COPPA's standards. These enforcement actions have shaped compliance practices across the technology sector and contributed to a predictable regulatory environment.

Although both COPPA and India's DPDPA along with the Rules aim's to protect children's data, they differ significantly in scope, obligations, and regulatory philosophy. COPPA applies only to children below 13, while the DPDPA covers all minors under 18, substantially expanding the category of protected users. COPPA governs only online services, whereas the DPDPA applies to online and offline processing, including EdTech platforms, schools, childcare facilities, and transport services engaged by educational institutions. The verification requirements also diverge, COPPA prescribe specific consent mechanisms, such as credit-card verification, signed consent forms, or video authentication. In contrast, India's 2025 Rules adopt a more flexible approach permitting verification through government-approved identity credentials, Aadhaar-based checks, Digital Locker documents, or reliable data already held by the Data Fiduciary. Restrictions on behavioral tracking reveals another distinction. While COPPA restricts the collection of personal identifiers for behavioral profiling, the DPDPA imposes broader prohibitions, clearly banning tracking, monitoring, profiling and targeted advertising directed at minors. The Indian framework also provides narrow exemptions for schools and childcare institutions for limited safety-related and operational purposes, exemptions that do not exist under COPPA. Overall, COPPA offers an established enforcement model built on two decades of regulatory practice, while India's DPDPA represents a broader, principle-driven framework supported by detailed rules.

The differences reflect varying policy approaches, yet both systems share a common goal of safeguarding minors in increasingly complex digital learning environments.

Conclusion

The increasing integration of EdTech into mainstream education has underscored the importance of safeguarding children's personal data in digital learning environments. India's Digital Personal Data Protection Act, 2023, together with the 2025 Rules, establishes a structured framework that recognizes minors as a sensitive category of Data Principals and imposes heightened responsibilities on platforms handling their data. These statutory safeguards covering verifiable parental consent, restrictions on behavioral tracking, data minimization, and purpose-bound exemptions that reflect an effort to ensure that technological innovation develops alongside appropriate protections for young users. A comparison with the United States' COPPA regime shows differing approaches to protecting minors online. COPPA targets services used by children under 13 and relies on defined consent mechanisms backed by established enforcement. India's framework is broader in age and scope, using flexible verification tools and embedding child-specific duties within a general data protection law.

With the Data Protection Board operational and the 2025 Rules in place, India is well positioned to develop an enforcement approach tailored to its growing EdTech sector. Despite differences in structure and scope, both frameworks aim to ensure children use digital technologies in a safe, transparent, and accountable environment. As the EdTech sector grows, clear regulations, sector-specific guidance, and sustained oversight will be crucial to translating legal principles into effective protections. COPPA's enforcement experience will offer useful insights for the evolution of India's data protection regime.

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LEGACY SNIPPETS: FIRM UPDATES

Legacy Law Offices LLP continues to receive wide recognition across leading domestic and international legal directories for its consistent performance and expertise across diverse practice areas.

In 2025, the Firm was recognised among the **Top 100 Law Firms of India** by **ReSight India**. During the same year, Benchmark Litigation ranked Legacy Law Offices LLP as a **Recommended Firm** in the practice areas of Construction, Labour & Employment, and Government & Regulatory, with recognition of the Firm's New Delhi Office.

As part of individual recognitions, Mr Gagan Anand and Ms Sadiqua Fatma were named **Litigation Stars 2025** by Benchmark Litigation. Mr Anand was also featured in **ALB India Super 50 Lawyers 2025**.

Further strengthening its market presence, India Business Law Journal (IBLJ) recognised Legacy Law Offices LLP as an **Award Winning Law Firm 2025** in the area of Policy & Regulation and Capital Markets.

The Firm was also ranked as a **Recommended Firm** by AsiaLaw in Dispute Resolution, Construction, Capital Markets, and Labour & Employment. In individual rankings, Mr Gagan Anand was recognised as a **Distinguished Practitioner** in Construction Law and the Infrastructure sector.

Legal 500 Asia Pacific ranked Legacy Law Offices LLP as a **Recommended Firm** in the Projects, Infrastructure and Energy practice area, with Mr Gagan Anand, Ms Shalini Munjal, and Mr Amarendra Gogoi being recognised as **Recommended Lawyers** for their work in the same sector.

Under the IFLR1000 Asia Pacific rankings, Legacy Law Offices LLP was recognised as a **Recommended Firm**, and as a **Notable Firm** in Real Estate and Capital Markets: Equity. The Firm was ranked Tier 3 in Project Development in Transport, and Tier 4 in Project Development in Energy and Infrastructure.

In individual recognitions by IFLR1000 Asia Pacific, Mr Gagan Anand and Ms Shalini Munjal were ranked as **Highly Regarded Lawyers** for Project Development and Real Estate. Ms Shalini Munjal was also featured in the **Women Leaders** list. Ms Eshjyot Walia was recognised as a **Rising Star** in Project Development, while Mr Pradyun Chakravarty was recognised as a **Rising Star** in Capital Markets: Equity.

Additionally, our Managing Partner has been featured in premier industry rankings and has received prestigious honours, including the '**Stellar Accolade 2025'**, reflecting continued excellence, leadership, and distinction in the legal profession.

LEGACY SNIPPETS: FIRM UPDATES

Mr. Gagan Anand spoke on "FIDIC Contracts: From Global Framework to Indian Reality" at an event organised by the Project Exports Promotion Council of India (PEPC), under the Ministry of Commerce & Industry, Government of India, held at The Lalit, New Delhi.

In his address, Mr. Anand highlighted how India's increasing use of FIDIC forms of contract across major infrastructure projects is enhancing domestic project outcomes while also contributing to capacity building. He emphasised that this experience is strengthening contractual preparedness, improving risk management capabilities, and building the professional confidence required for Indian companies, consultants, and contractors to successfully expand their project exports in international markets.

The session also focused on global contracting frameworks, FIDIC best practices, and institutional capacity building, and witnessed active engagement from participants, reflecting a strong commitment to expanding India's presence in international project market and enhancing the sophistication of contractual and risk management practices in cross-border projects.

In addition, Mr. Anand moderated a panel discussion titled "Beyond Conflicts: Smart Strategies for Dispute Resolution and Cost Overrun Mitigation in Infrastructure Projects" at the CEAI Annual Conference – Engineering India Forward: Strategy, Sustainability & Innovation for Inclusive Infrastructure. The panel featured distinguished speakers including Hon'ble Mr. Justice Sachin Datta (Delhi High Court), Mr. Irakli Khergiani (FIDIC Board Member), Mr. Ajit Mishra (Director–Works, IRCON International Ltd.), and Mr. Srimant Jain (Director, GT Bharat LLP). The discussion underscored professionalism and ethics as critical factors in minimising infrastructure disputes, alongside the importance of project readiness, balanced risk allocation, and institutional accountability, drawing on experiences from PPPs and large-scale infrastructure projects.

JUDICIAL APPROACHES TO CRZ ENFORCEMENT IN INDIA

Introduction

In recent months, Indian courts have exhibited an increasingly stringent approach towards enforcement of environmental clearances and **Coastal Regulation Zone (CRZ)** compliance in the construction sector. CRZ are designated coastal stretches where development activities are regulated to protect fragile ecosystems, preserve local livelihoods, and prevent environmental degradation. These regulations are published under the **Environment (Protection) Act, 1986** as a set of rules and guidelines issued through Notifications under **Section 3**. The CRZ framework imposes specific restrictions on construction and land use to maintain ecological balance in these sensitive coastal regions.

The Hon'ble Bombay High Court and the National Green Tribunal (NGT) have delivered key judgments and have played active roles in reinforcing this framework. Both forums have repeatedly held that the environmental approvals must precede development activity and cannot be granted retrospectively. This emerging jurisprudence signals a shift away from the earlier tolerance for procedural lapses and post-facto permissions. Courts have now underscored that environmental due diligence must be prior and cannot be undone by later compliance.

Legal Framework for Construction and Environmental Compliance

As courts adopt a more stringent approach to environmental compliance in construction, it becomes important to situate these decisions within India's broader statutory and regulatory framework. This framework explains why Indian Courts now insist on strict adherence to the requirement of prior environmental clearance. It also clarifies the reduced judicial tolerance for procedural lapses and post-facto approvals. Against this backdrop, the following section outlines the key legal instruments and institutional mechanisms shaping compliance in construction and infrastructure projects.

India's construction sector operates within a multilayered regulatory framework designed to balance developmental imperatives with environmental protection. At the core lies the Environment (Protection) Act, 1986, which empowers the Central Government to prescribe standards and procedures. Pursuant to this authority, the EIA Notification 2006 establishes the requirement of prior environmental clearance (EC) [1] for a wide range of projects, including residential townships, commercial complexes, industrial facilities, and infrastructure work. It also sets out a structured appraisal process, involving screening, scoping, public consultation, and expert evaluation before any construction activity may commence.

Alongside this framework are the Coastal Regulation Zone (CRZ) Notifications, issued under the same parent statute, which regulates the development along coastal stretches through zone-based restrictions. For cities such as Mumbai and other coastal regions, CRZ permissions operate as an independent and equally mandatory layer of compliance. The CRZ regime has been further refined through successive updates, including the CRZ Notification 2011 and the CRZ Notifications 2019[2], each prescribing specific limits on construction, land use, and permissible activities.

At the institutional level, the State Environmental Impact Assessment Authorities (SEIAAs), Expert Appraisal Committees (EACs), and coastal zone management authorities function as the primary regulators responsible for granting approvals and monitoring adherence. Courts and the National Green Tribunal (NGT) serve as critical oversight bodies, ensuring that environmental mandates are observed not only in letter but also in substance.

Together, this framework underscores a clear statutory intention: construction and development activities must comply with environmental safeguards before any project breaks ground, and deviations or retrospective regularisations are to be treated as exceptions rather than norms.

Case Study 1 – Grauer and Well (India) Limited vs. State of Maharashtra & Ors. [3]

In 2025, the Hon'ble Bombay High Court delivered a significant judgment affirming the closure of Growel's 101 Mall in Kandivali, Mumbai. The mall had been constructed and operated without the mandatory EC and requisite consents from the Maharashtra Pollution Control Board (MPCB). The Petitioners conceded that the mall was developed and operational in the absence of necessary environmental permissions. Despite invoking principles of natural justice, challenging the authority of the regional officer, and relying on a pending amnesty scheme for regularisation, the Hon'ble Court refused to entertain these procedural defences and admitted illegality.

The Hon'ble Court emphasised that compliance with environmental laws is fundamental and cannot be bypassed through pending schemes or procedural technicalities. It held that operating a commercial establishment without prior environmental clearance constitutes a serious violation warranting immediate closure. The Court clarified that the doctrine of natural justice does not protect admitted breaches of environmental norms.

It further affirmed that public interest in environmental protection prevails over commercial or financial considerations. Subsequently, the Hon'ble Court also reiterated that its discretionary powers under Article 226 cannot be exercised to perpetuate illegality or non-compliance.

This ruling sends a strong signal that Indian courts are adopting a stricter stance on construction projects that violate environmental and Coastal Regulation Zone norms. Even where procedural lapses by regulatory authorities are alleged, such deficiencies will not shield developers. This is particularly so when the fundamental breach, namely, the absence of environmental clearance and necessary consent is undisputed. The judgment reinforces the principle that environmental compliance is non-negotiable, closure orders will be enforced expeditiously, and economic arguments or pending regularisation schemes cannot justify ongoing violations.

In essence, this decision reflects a judicial shift towards prioritising substantive environmental protection over procedural technicalities, making it unequivocally clear that construction activities undertaken without prior approvals cannot expect judicial leniency.

Case Study 2 – Santosh Daundkar v. Maharashtra Coastal Zone Management Authority & Ors. [4]

The second case that illustrates the Tribunal's approach to CRZ enforcement concerning the clearance issued for interior alterations and minor redevelopment at "Mannat" in Bandra. The Appellant, Santosh Daundkar, questioned the validity of the fresh 2025 CRZ approval, arguing that the project has previously undertaken unauthorised construction and that these past irregularities should render the new permission unsustainable. However, unlike cases where historic non-compliance directly taints a later approval, the Tribunal found that the allegations here were neither substantiated nor linked to any procedural defect in the clearance under challenge.

In deciding the matter, the Ld. Tribunal focused on the basic question of whether anything in the 2025 CRZ clearance was actually unlawful. The official records showed that the property had been classified as CRZ-II (Redevelopment) for many years. The work approved in 2025 primarily involved internal changes and limited redevelopment, which are permitted under the CRZ Notification for this category. The Appellant did not contest this classification that the authority had ignored any mandatory step required for such permission. Since the appeal did not identify a concrete violation linked to the current clearance, the Tribunal held that there was no legal issue fit for inquiry and therefore dismissed the challenge at the admission stage.

Looking at the bigger picture, this decision reflects a judicial approach focused on careful examination of evidence rather than simply being strict or lenient. The Tribunal chose not to reopen old disputes but instead concentrated on whether current approval itself had any legal problems. The Courts will only step in if the challenger can prove a specific legal violation, not based on vague claims or past issues.

This case shows that while courts insist on proper procedure and credible evidence, they are not opposed to development per se. Where CRZ rules are correctly followed and no clear violation is shown, judicial interference is unlikely. However, courts will intervene in cases of evident illegality, such as incorrect CRZ classification or missing approvals. The Mannat ruling thus establishes that, if there is no clear legal defect in the current approval, past controversies alone will not justify judicial intervention.

Case Study 3 – Vanashakti vs. Union of India [5]

The Vanashakti case underwent a significant shift in 2025. The Supreme Court's earlier decision on 16th May 2025 had taken a strict view, striking down the MoEFCC's 2017 Notification and 2021 Office Memorandum that allowed ex post facto environmental and CRZ clearances.

The Court had held that permitting projects to obtain clearance after commencement undermined the precautionary principle and the statutory requirement of prior approval. This created a clear message: retrospective compliance was incompatible with environmental rule of law.

However, in a dramatic turn, on 18th November 2025, the Union Government sought relief before the Supreme Court, leading to the 2025 Vanashakti Judgment that overruled the Bombay High Court's quashing of the Office Memorandum. The Supreme Court reasoned while prior clearance is the norm, exceptional situations such as genuine ignorance or administrative errors that may justify post-facto approval, subject to stringent scrutiny and safeguards. The Hon'ble Court underscored that the Office Memorandum aimed to balance environmental protection with practical realities and was not a free pass to legitimize unlawful constructions. It was further elaborated on the principle of proportionality in environmental governance, emphasizing that the rigid denial of all post-facto clearances could lead to greater ecological harm by encouraging unlawful activity or leaving existing violations unregulated. Thus, the judgment carved out a limited conditional exception allowing post-facto CRZ clearances in exceptional cases, while reaffirming the primacy of environmental due diligence. The decision of the Apex Court marks a judicial recalibration from the earlier hardline stance taken by the Bombay High Court, injecting nuance and flexibility into the enforcement landscape. It signals that Courts recognise the complexities of coastal regulation and seek a pragmatic middle ground that avoids both leniency and excessiveness. For developers and regulators, the ruling underscores the importance of strict compliance but also opens a narrow window for remedial approvals, provided stringent conditions are met.

The Vanashakti judgment also illustrates a broader judicial theme: environmental governance requires balancing competing interests' development, ecological preservation, and social realities through case by case, fact-sensitive adjudication rather than absolute rules. This nuanced approach complements the stricter, evidence-driven enforcement trends seen in other cases, reflecting the courts evolving role as facilitators of sustainable development.

Analysis: Emerging Judicial Themes

A comparative review of the three case studies, the Bombay High Court mall closure, the NGT's Mannat CRZ appeal dismissal, and the Supreme Court's Vanashakti ruling reveals evolving judicial attitudes toward environmental compliance in construction.

The Bombay High Court decision reflects a zero-tolerance approach toward projects operating without mandatory clearances, prioritising environmental protection over procedural defences. In contrast, the Mannat ruling adopts a disciplined, evidence-based approach, focusing on the legality of current clearances and requiring concrete proof before intervention. The Vanashakti judgment strikes a middle ground by reaffirming the primacy of prior clearance while permitting limited post-facto approvals in exceptional cases, thereby introducing proportionality within environmental enforcement.

Together, these cases illustrate a judicial trend that is neither rigidly harsh not lenient but rather calibrated, insisting on strict compliance and transparency while allowing measured discretion to address complex ground realities. For developers, regulators, and policymakers, the clear takeaway is that environmental due diligence is now indispensable and that courts will demand robust evidence and procedural integrity. Looking forward, this evolving jurisprudence is poised to strengthen environmental governance, encourage proactive oversight, and promote sustainable urban development amid India's rapid infrastructural growth.

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INVESTOR ENABLEMENT: EMPOWERING INVESTORS TO MAKE INFORMED DECISIONS AND PROMOTING ACTIVE PARTICIPATION IN THE MARKETS.

The Expanding Scope of Investor Enablement

Investor enablement lies at the core of India's evolving financial and regulatory landscape. It encompasses not only the protection of investor interests but also the creation of a fair, transparent, and informed market environment that encourages active participation. Empowering investors to make sound investment decisions has become increasingly important as India's capital markets have grown in size, sophistication, and accessibility. The Securities and Exchange Board of India (SEBI), established under the SEBI Act of 1992, has played a central role in designing mechanisms that safeguard investors while simultaneously promoting greater participation through awareness, disclosure, and technology-driven initiatives.[1] In the contemporary context, investor enablement extends beyond basic protection to encompass education, access to information, grievance redressal, and participation in governance through shareholder rights. Investor protection and enablement were foundational objectives behind the enactment of the SEBI Act, 1992, which empowered the regulator to "protect the interests of investors in securities and to promote the development of, and to regulate, the securities market." This threefold mandate forms the backbone of all subsequent policy measures. SEBI's approach has evolved from a reactive stance focused on curbing fraud and malpractices to a proactive model that facilitates investor education, disclosure-based regulation, and participatory oversight.

The shift from merit-based to disclosure-based regulation under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) embodies this transformation, enabling investors to make independent, informed decisions based on transparent and verifiable information.[2]

Under these regulations, companies issuing securities must disclose material information, including financial statements, risk factors, management discussion and analysis, and use of proceeds, allowing investors to assess the risks and merits of an issue. In addition to disclosure-based frameworks, SEBI has also institutionalized the role of investor education and awareness. The establishment of the Investor Protection and Education Fund (IPEF) under Section 11(5) of the SEBI Act enables the regulator to finance programs aimed at educating retail investors about market functioning, risk management, and fraud prevention. Through the SEBI Investor Education and Protection Fund Authority (IEPFA) and initiatives such as "SCORES" (SEBI Complaints Redress System), the regulator has bridged the gap between investors and issuers by providing digital grievance mechanisms.[3] SCORES allows investors to lodge complaints online and track resolution progress, enhancing accountability and transparency across market intermediaries.

Continuous Disclosure & Corporate Governance under LODR

The introduction of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(LODR Regulations) further strengthened investor enablement by mandating continuous disclosure and corporate governance compliance for listed entities.[4]

These regulations ensure that listed companies provide periodic financial updates, disclose material events, and maintain fair treatment of all shareholders. For example, Regulation 30 requires prompt disclosure of material events likely to affect the price or performance of securities, ensuring that no class of investors operates with asymmetric information.[5] Regulation 17 mandates board composition norms, including the presence of independent directors, to protect minority shareholders.[6] By mandating audit committees, vigil mechanisms, and related-party transaction disclosures, the LODR framework has made corporate governance an integral part of investor confidence.

Judicial Reinforcement of Investor Protection Mandate

Judicial developments have reinforced SEBI's investor protection mandate. In SEBI v. Sahara India Real Estate Corporation Ltd., the Supreme Court of India held that SEBI had the authority to regulate any instrument that functions as a security, thereby extending its jurisdiction to protect investors even in quasi-corporate fund-raising schemes.[7] The Court emphasized that investor protection must remain the paramount objective of securities law, and issuers must ensure transparency in mobilizing public funds. Similarly, in N. Narayanan v. Adjudicating Officer, SEBI, the Court upheld SEBI's penal powers against insider trading and fraudulent activities, reinforcing deterrence against market abuse.[8]

These rulings underscore the judiciary's recognition that investor enablement depends not merely on disclosure but on the consistent enforcement of accountability.

Investor Access, Inclusion & Digital Participation

Investor empowerment also extends to ensuring equitable access to investment opportunities. The introduction of digital trading platforms, online dematerialization, and simplified know-your-customer (KYC) norms have enabled millions of retail investors to participate directly in securities markets.[9] The SEBI (KYC Registration Agency) Regulations, 2011 established a centralized KYC repository, allowing investors to open accounts and transact across multiple intermediaries without redundant verification. The integration of Aadhaar-based e-KYC has further reduced barriers to entry, promoting inclusion. Similarly, the expansion of Unified Payments Interface (UPI) integration for IPO applications under SEBI's circular of November 2018 has simplified retail participation, particularly among first-time investors.[10] The Reserve Bank of India (RBI) and SEBI have jointly supported investor enablement by facilitating the development of financial literacy frameworks. The National Strategy for Financial Education (NSFE) 2020–2025, jointly released by RBI, SEBI, IRDAI, and PFRDA, outlines a multi-stakeholder approach to improve financial decision-making and responsible investing.[11] By embedding financial education into school curriculums and promoting awareness campaigns through investor associations, the NSFE aims to strengthen long-term participation in formal markets. Investor awareness programs such as "SEBI Investor Awareness Campaign" and partnerships with stock exchanges (NSE and BSE) have amplified outreach across India's tier-2 and tier-3 cities, aligning with SEBI's agenda of democratizing capital markets.[12]

A crucial dimension of investor enablement is access to reliable and timely information. The modernization of disclosure mechanisms under SEBI's digital architecture ensures that investors have equitable access to material data. The introduction of the SEBI Complaints Redress System, digital disclosure portals, and the BSE and NSE listing interfaces have reduced information asymmetry.[13] The implementation of XBRL (eXtensible Business Reporting Language) formats for filings allows structured and comparable financial data analysis, promoting informed decision-making. SEBI's initiatives under the "Ease of Doing Business" reforms also seek to simplify compliance requirements while preserving investor safeguards, creating a market that is both transparent and efficient.[14] At the same time, SEBI's regulatory interventions in mutual funds, portfolio management, and investment advisory services have focused on eliminating conflicts of interest and ensuring fiduciary responsibility. The SEBI (Investment Advisers) Regulations, 2013 introduced registration, qualification, and disclosure standards for advisers, ensuring that advice is rendered in the best interests of clients.[15] The SEBI (Research Analysts) Regulations, 2014 complemented this by requiring research analysts to disclose their financial interests and maintain independence.[16] These frameworks protect investors from biased recommendations and ensure credibility in information dissemination. The imposition of fiduciary standards on intermediaries mirrors international best practices under frameworks such as the U.S. Investment Advisers Act of 1940, emphasizing that investor empowerment requires both informed consent and trustworthy intermediation.[17]

Corporate Governance & ESG-Driven Empowerment (BRSR Requirements)

Corporate governance mechanisms have become a central pillar of investor empowerment. SEBI's requirement for listed companies to publish Business Responsibility and Sustainability Reports (BRSR) under Regulation 34(2)(f) of the LODR Regulations ensures that investors can evaluate companies based on environmental, social, and governance (ESG) metrics.[18] This disclosure not only informs investor decision-making but also aligns corporate behaviour with sustainable and ethical practices. The expansion of BRSR to the top 1,000 listed companies by market capitalization from FY 2022–23 represents a significant step in integrating long-term sustainability into financial performance.[19] Institutional investors increasingly rely on such disclosures to assess corporate accountability and long-term risk resilience. Investor enablement also depends on robust enforcement and grievance mechanisms. SEBI's quasi-judicial powers under Sections 11, 11B, and 15 of the SEBI Act allow it to investigate, adjudicate, and penalize entities engaging in fraudulent or unfair trade practices.[20] The establishment of the SEBI Appellate Tribunal (SAT) provides an appellate remedy to aggrieved investors and intermediaries, ensuring procedural fairness.[21] Furthermore, SEBI's collaboration with the Ministry of Corporate Affairs (MCA) under the Centralized Inspection System has improved inter-agency coordination, enhancing oversight of listed companies.[22] The integration of SEBI's data with the MCA21 platform allows for seamless tracking of corporate filings and investor grievances.

Technology-Driven Enablement

Digitalization has revolutionized investor enablement in India. The proliferation of online trading accounts, mobile-based investing apps, and artificial intelligence-driven financial advisory platforms has lowered entry barriers and increased investor autonomy. SEBI's regulatory sandbox framework, introduced in 2020, allows fintech entities to test innovative products under controlled conditions, ensuring both innovation and investor safety.[23] The use of distributed ledger technology (DLT) for recordkeeping and blockchain-based KYC systems is being explored to improve transparency and prevent fraud. These technological interventions democratize investment access while preserving regulatory oversight, reflecting SEBI's "technology for trust" approach.[24]

However, empowerment also brings new responsibilities and risks. As retail participation in equity and derivatives markets grows, SEBI has focused on educating investors about market volatility, leverage, and the importance of diversification.[25] The introduction of risk-o-meter disclosures for mutual funds, product labelling norms, and investor warning systems aim to prevent speculative losses. The regulator's campaigns emphasizing "do not trade on tips" and "verify before you invest" reflect a behavioural approach to investor protection.[26] By inculcating the disclosure with behavioural nudges, SEBI seeks to create informed investors who participate responsibly. From a policy standpoint, investor enablement also intersects with shareholder activism and participatory governance. Institutional investors such as mutual funds and insurance companies are now expected to exercise stewardship responsibilities, voting in line with the long-term interests of beneficiaries.[27]

The SEBI circular on "Stewardship Code for Mutual Funds and All Categories of AIFs" (2020) mandates disclosure of voting policies and engagement strategies. This enhances corporate accountability and allows investors, both retail and institutional, to influence governance outcomes. Active participation through proxy voting, shareholder resolutions, and engagement on ESG issues has deepened democratic participation in corporate decision-making.

Persistent Challenges in Investor Enablement

Despite these advancements, challenges persist. A large portion of retail investors continue to lack sufficient financial literacy to navigate complex financial products. Market volatility, speculative trading, and herd behaviour can undermine long-term investor confidence. Additionally, the rise of algorithmic and high-frequency trading has introduced new asymmetries, where technologically sophisticated participants may gain advantages over small investors.[28] To address these concerns, SEBI continues to refine market infrastructure through tighter algorithmic trading norms, enhanced margining systems, and mandatory disclosure of system audits by brokers. These measures, while technical, contribute indirectly to investor enablement by ensuring a level playing field.

Conclusion

In summation, investor enablement in India is a dynamic process shaped by regulation, technology, education, and market behaviour. SEBI's multi-pronged approach anchored in transparency, disclosure, and accountability has transformed the Indian securities market from an opaque, trust-deficient environment into one of the most transparent emerging markets globally.[29]

digital inclusion, corporate governance, and sustainable investing reflects an understanding that empowerment is not just about access but about informed, equitable, and responsible participation. As India aspires to deepen its capital markets and attract global investors, the continued evolution of investor-centric reforms will determine whether the market remains both fair and inclusive. Investor enablement, thus, is not a static regulatory goal but an ongoing social contract between regulators, issuers, and the investing public.

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SNIPPETS

- On November 21, 2025, the Government of India announced the nationwide implementation of all four **Labour Codes: The Code of Wages (2019)**, **the Industrial Relations Code (2020)**, **the Code on Social Security (2020)**, and the **Occupational Safety, Health and Working Conditions Code (2020)**. Although previously published, these Codes had not been enforced until now. The notification replaces 29 Central Labour Laws and introduces key reforms. These include mandatory appointment letters for all workers assured minimum wages with timely payment, wider social security coverage for gig and platform workers, and a unified system for registration and licensing. The Codes also strengthen equal pay and gender-inclusive provisions, expand health and safety standards, such as periodic medical check-ups and rules for hazardous work and allow women to work night shifts with prescribed safeguards.

- In 2025, the Madras High Court in **Ab Initio Technology LLC v. Controller of Patents & Designs, 2025 MHC 2579** ruled that a computer-related invention claiming a novel data-processing method is patentable under Indian law. The Court overturned the Patent Office's refusal, holding that the invention produced a clear technical effect and was not merely a computer program, thereby placing it outside the exclusion under **Section 3(k)** of the **Patents Act**. This judgment clarifies how software-based inventions will be assessed for patentability and offers important guidance on what qualifies as a technical contribution. The ruling is expected to support technology companies developing software-driven products by providing greater legal certainty and potentially enabling stronger intellectual property protection for digital innovation in India.

- On September 15, 2025, RBI issued the master-direction titled **"Regulation of Payment Aggregators"** creating a comprehensive framework for **Payment Aggregators** (PAs) in India. The rules outline requirements for registration, minimum capital, separation of customer and merchant funds, operational and security standards, transaction monitoring, and overall compliance. PAs must obtain prior RBI authorization, meet net-worth or capital-adequacy norms, and follow strict KYC and anti-money-laundering procedures. They are also required to maintain strong cybersecurity and data protection systems. The direction further mandates periodic reporting to the RBI, internal audits, and sound risk-management practices. Clear guidelines have also been introduced for settlement timelines, as well as the handling of refunds and chargebacks.

- In December 2025, SEBI notified amendments strengthening the regulatory framework for **Infrastructure Investment Trusts (InvITs)** as part of its broader effort to deepen infrastructure financing through market-based instruments. The amendments focus on enhanced disclosures, stronger governance standards, clearer responsibilities for sponsors, investment managers, and trustees, and improved transparency in valuation, related-party transactions, and cash-flow distributions. By reinforcing compliance and regulatory oversight, the revised framework aims to enhance investor protection and confidence in InvITs as a long-term investment vehicle for infrastructure assets.

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As we settle into the early days of 2026, we are filled with a sense of renewed hope and anticipation for the year ahead. The beginning of this new year offers a moment to reflect on past experiences and embrace the opportunities that lie before us.

On behalf of Legacy, we are pleased to extend our warmest New Year greetings to all of our esteemed readers. As we welcome the promise of 2026, we express our heartfelt gratitude for your continued support and engagement. Your loyalty and encouragement have been invaluable, and we are excited to embark on another year of shared growth and meaningful connection. May this year be one of personal and professional fulfillment, marked by new achievements and a renewed commitment to excellence. We look forward to continuing this journey together and to delivering content that inspires and empowers.

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