

SC's green clearance ruling recall could push ahead stalled projects

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Several ongoing developments were facing the threat due to procedural lapses in securing environmental approvals. Projects can now undergo a proper environmental assessment rather than be halted.

The Supreme Court's recall of its May ruling on ex-post facto environmental clearances has eased the immediate threat of demolition of hundreds of real estate projects, offering relief to homebuyers, developers, and lenders, say experts.

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According to Anuj Puri, chairperson, Anarock Group, over 490 projects stuck in limbo, impacting more than 70,000 housing units across the Mumbai Metropolitan Region (MMR) and Pune, are now eligible for regularisation.

These projects, collectively worth close to ₹30,000 crore, would no longer face an immediate shutdown. Industry leaders say the judgment restores a measure of predictability for businesses, which were grappling with legal uncertainties.

Parveen Jain, president, National Real Estate Development Council (Naredco), said that the decision prevented a large-scale disruption to housing supply, protected ongoing investment, and avoided job losses linked to stalled

construction.

Naredco Chairperson Niranjan Hiranandani added the court's decision gave a much-needed relief to real estate.

"Several projects that were at risk of demolition can now undergo a detailed environmental review, rather than face abrupt closures," he said.

On November 18, the Supreme Court, by a 2:1 majority, recalled its May judgment, which had prohibited the grant of ex-post facto (retrospective) environmental clearances. With this recall, the earlier restrictions have been lifted for now, and the matter has been placed before an appropriate Bench for fresh consideration. Projects that were facing demolition can now an assessment instead of being shut down.

"The move restores short-term stability for developers, lenders, and homebuyers. It also buys time for projects to demonstrate compliance through proper environmental assessments," Jain said.

However, a Delhi-based developer said this was not blanket approval because the matter had been reopened for fresh examination by an appropriate Bench.

"Developers will still need to justify environmental viability and strengthen their documentation and risk-management practices," he added.

Mohit Mittal, chief executive officer (CEO), MORES, a proptech consultancy, stated that while the new turn did not solve everything overnight, it gave developers a straightforward route to get their environmental checks done properly instead of worrying about sudden stay orders or the threat of demolition.

Legal specialists stressed the broader economic implications.

Samit Shukla, partner, dispute resolution practice, Trilegal, noted: "This acknowledges the environmental degradation that would arise if the judgment under review was not interfered with. Such a pragmatic approach was necessary to safeguard public resources and establishments contributing to the country's economy."

Abhilash Pillai, partner at legal firm Cyril Amarchand Mangaldas, said it signaled that the demolition-first approach would not return.

However, the relief is not absolute.

Shahid Balwa, vice-chairperson and managing director, Valor Estate, said retrospective approvals remained conditional.

“The majority opinion permits retrospective clearances only for activities permitted under current environmental rules, subject to penalties and safeguards. Developers should view this as an opportunity to strengthen ESG (environment, social, government) practices and ensure upfront approvals.”

Arpit Jain, director at Arkade Developers, said: “We need a predictable and consistent regime that enforces compliance upfront and reduces the scope for ambiguity. The hope is that the larger Bench will now arrive at a position that upholds environmental safeguards while acknowledging the practical realities.”