

August 2025

## **New rules for management of contaminated sites notified under the Environment (Protection) Act, 1986**

The Ministry of Environment, Forest and Climate Change, *vide* notification dated July 24, 2025, has notified the Environment (Protection) (Management of Contaminated Sites) Rules, 2025 (“**MCS Rules**”) under the Environment (Protection) Act, 1986. The MCS Rules create a national framework for the identification, assessment, and remediation of contaminated sites impacted by hazardous and toxic substances. These MCS Rules constitute India’s first dedicated legal framework for the systematic identification, assessment, remediation, and monitoring of chemically contaminated sites across the country. The MCS Rules establish a science-based, time-bound process grounded in strict liability and the polluter-pays principle, to protect human health and ecological integrity from legacy industrial and hazardous contamination.

### **Salient features**

1. **Definition of contaminated sites:** The MCS Rules define essential terms such as ‘Suspected Contaminated Site’, ‘Probable Contaminated Site’, ‘Contaminated Site’, and ‘Responsible Person’. Threshold contaminant values for soil, sediment, groundwater, and surface water are prescribed under Schedule I, which establishes screening levels for intervention and response.
2. **Site identification and listing:** Local bodies and district administrations are required to identify suspected contaminated sites and report them on a centralised online portal. State Pollution Control Boards (“**SPCBs**”) must undertake preliminary and detailed site assessments, following which sites are categorised as investigated, probable, or confirmed contaminated sites. SPCB will publish the list of the contaminated sites on the centralised online portal inviting comments and suggestions from the stakeholders likely to be affected, within 60 (sixty) days of such publication. Upon receipt of the comments and suggestions, the SPCB will publish the final list of contaminated sites.
3. **Remediation obligations:** SPCBs are required to initiate remediation activities within 3 (three) months from final listing. Within 90 (ninety) days, they must identify the person responsible for contamination and direct such person to prepare a remediation plan, engage a reference organisation, and bear all associated costs. In cases where no responsible person is identified (orphan sites), SPCBs will implement the remediation on its own or by the support of State Government.
4. **Remediation plan and standards:** A remediation plan must include site-specific remediation levels, risk assessment methodology, proposed cleanup or decontamination technologies, financial resources required along with the time frame required for undertaking remediation. It should also address environmental and safety measures during remediation, post-remediation monitoring and assessment activities, and occupational health,

safety and emergency responses. SPCBs must approve the plan within 3 (three) months and forward it to the Central Pollution Control Board (“CPCB”) for records.

**5. Funding and cost recovery:**

- a) Assessment and remediation activities may be financed through a combination of the Environmental Relief Fund under the Public Liability Insurance Act, 1991, state environment protection funds, and environmental compensation funds collected by SPCBs.
- b) Cost-sharing between the Central and State Governments is prescribed as follows: (i) 90:10 for Northeastern and Himalayan states; (ii) 60:40 for other States; and (iii) 100% central funding for union territories.
- c) In cases where a responsible person is identified, all public expenditure incurred for preliminary and detailed site assessments, preparation of remediation plans, and execution of remediation must be reimbursed by such person within 3 (three) months, along with applicable interest.
- d) In the case of orphan sites or sites under temporary possession (e.g., by banks or during judicial proceedings), funding will be borne in the same prescribed ratio.

**6. Environmental compensation:** SPCBs and CPCB are authorised to impose environmental compensation on responsible persons for non-compliance or failure to undertake remediation. Such compensation is credited to the Environmental Relief Fund and used for contaminated site restoration and implementation of the MCS Rules.

**7. Voluntary remediation:** Entities may propose voluntary remediation for sites that are neither listed as probable or confirmed contaminated sites nor under formal investigation. Such proposals must be accompanied by a preliminary assessment report, voluntary agreements from all site owners and occupiers, proof of financial capability to undertake remediation without public funding, and an undertaking to comply with directions issued during the remediation process. Proposals are reviewed by the Central Expert Committee and, if found compliant with the prescribed criteria, may be recommended to the Central Government for approval. Approval does not exempt the proponent from liability for environmental damage or regulatory contraventions.

**8. Institutional framework and digital infrastructure:** A Central Expert Committee is constituted to oversee implementation, comprising officials from CPCB, key Union Ministries, nominated State Board representatives, and subject-matter experts. Each state is required to establish a State-level Committee within 3 (three) months. CPCB will manage a centralised online portal for site identification, remediation tracking, and compliance monitoring.

**9. Post-remediation oversight:** Following the completion of remediation, SPCBs must certify the site, notify suitable land uses or activity restrictions, and submit reports to CPCB. Annual implementation summaries must be published by CPCB by September 30<sup>th</sup> each year. Remediation completion orders will be issued by SPCBs based on CPCB and committee recommendations.

**10. Technical compliance:** All assessment, remediation, and monitoring activities must be carried out in accordance with the standard operating procedures issued by the CPCB. CPCB may also issue additional implementation guidelines for these MCS Rules. Responsible persons are required to submit half-yearly progress reports during remediation and post-remediation monitoring data in the prescribed format until completion.

## Conclusion

The MCS Rules provide a structured and enforceable framework for addressing contaminated land, strengthening the ‘polluter pays’ principle through clear liability and cost recovery provisions. By defining contaminant thresholds, timelines, and institutional responsibilities, the MCS Rules aim to accelerate remediation of legacy and ongoing contamination risks. Industries, landowners, and financial institutions are advised to evaluate potential liabilities and monitor the public listings of contaminated sites to ensure compliance with the new framework.

## **Environmental Law, Climate Change and Energy Transition Practice**

The Firm advises and acts in proceedings, arising in relation to various environmental statutes, before the National Green Tribunal, High Court/s and Supreme Court of India. We have done critical review of major environmental laws and an assessment of their assigned objectives. The firm has been regularly advising clients in matters relating to climate change and energy transition.

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