

GOVERNMENT OF INDIA
MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE

LOK SABHA
UNSTARRED QUESTION NO. 3731
TO BE ANSWERED ON 16.03.2026

Penalties under Environmental Protection Fund Rules, 2026

3731. DR. SHASHI THAROOR:

Will the Minister of ENVIRONMENT, FOREST AND CLIMATE CHANGE be pleased to state:

- (a) whether the Government has assessed the potential conflict of interest arising from the Environmental (Protection) Fund Rules, 2026, under which penalties collected under the Air Act, Water Act and Environment (Protection) Act now finance regulatory and administrative functions;
- (b) whether the Government has prescribed any mandatory mechanism under the Environmental (Protection) Fund Rules, 2026 to ensure that penalties collected from environmental violations are utilised for site-specific remediation and measurable ecological restoration; and
- (c) if so, the details thereof and if not, the reasons therefor, including the reasons that no parallel operational framework has been notified for offences committed by the Government Departments under Section 17 of the Environment (Protection) Act, 1986?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE
(SHRI KIRTI VARDHAN SINGH)

(a) to (c) The Environment Protection Fund, 2026, has been notified as per the provisions of the Environment (Protection) Act, 1986. The amount of penalty imposed under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment (Protection) Act, 1986, on any person for contravening the provisions of the respective Acts, shall be credited into the Environment Protection Fund. The Fund provides the purposes for which it may be utilized, which, *inter-alia*, include the assessment and remediation of environmental damages including remediation of contaminated sites. Administrative expenses, not exceeding five percent of the amount available in the fund in a financial year may be used for payment of salaries and other emoluments of staff deployed in the project management unit for administration of fund, necessary office equipment and furniture for the project management unit, payment of auditors and legal or other professional services. Further, Section 17 of the erstwhile Environment (Protection) Act, 1986 was replaced

by section 15B, through the Jan Vishwas (Amendment of Provisions) Act, 2023, which provides the framework for penalising the offences committed by the Government Departments.
