GOVERNMENT OF INDIA
MINISTRY OF POWER

LOK SABHA
UNSTARRED QUESTION NO.821
ANSWERED ON 23.07.2026

FRAUDULENT CARBON CREDIT TRANSACTIONS

821. SHRI BASAVARAJ BOMMAI:

Will the Minister of POWER be pleased to state:

(a) the specific measures taken/proposed to be taken to prevent fraudulent carbon credit transactions in India's evolving carbon market framework;

(b) the manner in which the Government proposes to balance economic growth with carbon reduction targets set for 2027 and 2030;

(c) the mechanisms put/proposed to be put in place to ensure private sector compliance with carbon reduction targets; and

(d) the manner in which the Government proposes to integrate the learnings from international best practices discussed at Prakriti 2025 into India's climate policy framework?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a): As per Carbon Credit Trading Scheme (CCTS), notified in June, 2023 (as amended), the Grid Controller of India is the registry for the Indian carbon market. In order to prevent fraudulent carbon credit transactions, the functions assigned to the registry for the Indian carbon market include maintaining secure data base and records of all transactions. This registry is also the meta-registry for India.

(b): The mandatory compliance of greenhouse gas emission intensity (GEI) targets under CCTS covers only emission intensive industries, designated as "Obligated Entities" whose annual energy consumption are above certain thresholds. Further, while finalizing the GEI targets for different obligated entities, the marginal abatement cost of possible technological measures in the units of obligated entities are taken into consideration to ensure that such entities are given pragmatic and achievable targets.

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(c): Bureau of Energy Efficiency (BEE) has published Detailed Procedure for Compliance Mechanism under CCTS in July 2024 which covers comprehensive Measurement, Reporting and Verification (MRV) framework to ensure accurate, transparent, and credible compliance. An essential aspect of the MRV framework is the verification process, which requires annual verification of GHG emissions data. Further, the environmental compensation may be levied and penalty may be imposed under Environment Protection Act in case of non-compliance of GEI targets by obligated entities.

(d): During "PRAKRITI" 2025, an international conference on carbon markets, industries, financial institutions, and other stakeholders participated in detailed deliberations on various aspects of carbon markets, greenhouse gas (GHG) emission reduction measures, financing for clean technologies, and related issues. Based on the outcomes of these deliberations, the Government of India is taking steps to incorporate international best practices into its climate policies, including the establishment of a robust and transparent carbon market and its alignment with global policies.

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