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# **CARBON CREDITS AS ASSETS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016: A LEGAL AND VALUATION ANALYSIS**

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## **ABSTRACT**

The Insolvency and Bankruptcy Code of India 2016 was made for a world where businesses had plants, receivables and land. It was not made for a world where a company's balance sheet would include certificate that says they did not release a certain amount of carbon dioxide into the air but this time has come. The Carbon Credit Trading Scheme, 2023 notified under section 14(w) of Energy Conservation Act, 1999 has created a market where companies can buy and sell these certificates called Carbon Credit Certificates. Now companies in industries like steel, cement, power and many more have to buy these certificates to comply with the rules.

When one of these companies goes bankrupt what happens to these carbon credits? Do they become part of the assets that the person in charge of resolving the bankruptcy gets to control or are they something that disappears when the company is no longer compliant? This article argues that carbon credits should be considered property under the Insolvency and Bankruptcy Code forming a part of the liquidation estate. One of the main challenges is its valuation, that is how much they are worth. The Code was made with the idea that assets would have ownership and a big market but carbon credits do not have any of these characteristics. The article looks at what the law says, how other countries deal with issues and how to value these contingent intangibles in the future. It suggests a way to deal with carbon credits when a company is going bankrupt and ways to include it in the procedural doctrine.

## **Introduction:**

A carbon credit is a tradable certificate that represents the removal, reduction, or avoidance of one metric ton of carbon dioxide (CO<sub>2</sub>) or equivalent greenhouse gases from the atmosphere. They allow organizations and individuals to compensate for their own emissions by funding verifiable climate projects elsewhere. Carbon Credits are licenses that permit the owner of the credit to release a specific amount of greenhouse gases in the environment (GHGs). One credit allows the emission of one tonne of carbon dioxide or the equivalent of other greenhouse gases. This system with a goal in mind to reduce the emission of Green House Gases into the atmosphere, hence promoting 'Sustainable Development'

### ***a. Kyoto Protocol***

The Kyoto Protocol<sup>1</sup> is an international treaty adopted in 1997 under the United Nations Framework Convention on Climate Change (UNFCCC), entering into force in 2005. It set legally binding emission reduction targets for developed countries, based on the idea of "common but differentiated responsibilities" — i.e., wealthier, industrialized nations that historically emitted more greenhouse gases should cut emissions first. Introduced market-based mechanisms to help countries meet targets cost-effectively, including: Clean Development Mechanism (CDM), Joint Implementation (JI), International Emissions Trading

This is essentially where the modern carbon credit system originates the CDM created a formal, UN-supervised mechanism to generate tradable carbon credits from emission-reduction projects.

Kyoto Protocol created the first formal carbon credit instruments (CERs via CDM) and established the principle that emission reductions could be quantified, verified, and traded as tradable units.

### ***b. Paris Agreement***

The Paris Agreement<sup>2</sup> (2015, entered into force 2016) succeeded Kyoto as the primary global climate framework. Unlike Kyoto's top-down binding targets for developed countries only,

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<sup>1</sup> Kyoto Protocol to the United Nations Framework Convention on Climate Change, Dec. 11, 1997, 2303 U.N.T.S. 162

<sup>2</sup> Paris Agreement to the United Nations Framework Convention on Climate Change, Dec. 12, 2015, T.I.A.S. No. 16-1104

Paris applies to all signatory countries and is built around: Nationally Determined Contributions (NDCs): each country sets its own voluntary emission-reduction targets, updated every 5 years. The goal of limiting global warming to well below 2°C, ideally 1.5°C, above pre-industrial levels. Article 6, which is the direct successor to Kyoto's carbon-trading mechanisms, establishing: Article 6.2 is a framework for countries to trade "Internationally Transferred Mitigation Outcomes" (ITMOs) bilaterally. Article 6.4 talks about a centralized UN-supervised crediting mechanism (replacing the CDM), sometimes called the "Paris Agreement Crediting Mechanism," allowing generation and trading of carbon credits from verified emission-reduction/removal projects.

Paris modernized and expanded this under Article 6, creating today's compliance carbon markets (where credits count toward NDCs) and reinforcing the voluntary carbon market where companies buy credits to offset emissions for corporate sustainability/net-zero claims.

## **Carbon Credits in the Indian Landscape**

### ***a. Early Stages of Development***

Carbon credits became a domestic obligation in India because it was part of the Kyoto Protocol and subsequently the Paris Agreement. By doing this India got something it did not expect: it got to be a part of the Clean Development Mechanism. This mechanism is a part of the Kyoto Protocol that lets companies from countries pay for projects in developing countries that help reduce emissions. These companies can then use the credits they get from these projects to meet their emission targets.

India was in a position to make the most of this opportunity. The country is big. Has many different types of industries, which made it a great place for projects that reduce emissions. India and China became the places for these kinds of projects. Between 2010 and 2022 projects in India created around 278 million carbon credits. Most of these credits came from projects related to agriculture and renewable energy. This made India one of the creators of carbon credits<sup>3</sup> in the world.

However, India's role in this was mostly passive. The country was a supplier of carbon credits

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<sup>3</sup> Srikanta Sahoo et al., *Unlocking the Value of Carbon Credits and Its Role in Indian Agriculture*, ResearchGate (Jan. 2026), <https://www.researchgate.net/publication/399443220>.

in a market that was controlled by other people. The price of these credits was decided in Europe. They were mostly bought by companies in Europe that had to meet emission targets. When the European Union changed its rules in 2012 the credits were no longer worth as much. India got money from countries for its carbon credits but it did not create the systems it needed to price, trade or regulate carbon credits within its own country. Even though carbon credits were a part of the Indian economy, our country was still not, in control of its carbon credits. India and carbon credits were not yet closely linked.

The first steps toward India's domestic market architecture came through climate policy, not carbon market design. The National Action Plan on Climate Change, which was released in June 2008 had eight missions. One of them was the National Mission for Enhanced Energy Efficiency (NMEEE). The NMEEE's job was to create market-based tools for industries to reduce their carbon footprint<sup>4</sup>. From NMEEE came the Perform, Achieve and Trade scheme (PAT). PAT was a tool that gave specific energy consumption targets to big energy users in certain sectors. If these users saved energy than their targets they could get Energy Saving Certificates (ESCs). These certificates could be traded on the India Energy Exchange and the Power Exchange India Limited. The Central Electricity Regulatory Commission oversaw the market. PAT's first cycle, which covered 478 units across eight sectors from 2012 to 2015 saved 8.67 million tonnes of oil equivalent. This translated to about 31 million tonnes of carbon dioxide emissions<sup>5</sup>. The second cycle, from 2016 to 2019 delivered 14.08 million tonnes of oil equivalent in savings. This avoided around 66 million tonnes of carbon dioxide equivalent<sup>6</sup>. PAT was an energy-efficiency scheme, not a greenhouse gas scheme. It measured energy intensity per unit of output not emission intensity. Its certificates represented saved energy, not verified emission reductions.

PAT helped people get used to market mechanisms and trading infrastructure. However, it did not build a carbon market in the sense. The decisive legislative step came in 2022. The Energy Conservation (Amendment) Act gave the Central Government the power to create a carbon credit trading scheme. This was the first clear statutory mandate for domestic carbon pricing in

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<sup>4</sup> Prime Minister's Council on Climate Change (India), National Action Plan on Climate Change 3–5 (June 2008).

<sup>5</sup> Bureau of Energy Efficiency (India), Perform, Achieve and Trade: Scheme Overview, <https://beeindia.gov.in/en/programmes/perform-achieve-and-trade-pat> (last visited July 7, 2026); Energy Conservation Act, No. 52 of 2001, § 14, India Code (2001).

<sup>6</sup> Climate Change Acad., India's National Action Plan on Climate Change: Eight Missions for Climate Action (2026), <https://climatechange.academy/introduction-to-climate-change/india-national-action-plan-climate-change/>.

Indian law<sup>7</sup>. India's updated Nationally Determined Contribution also submitted in 2022 set targets. These included reducing emissions intensity of GDP by 45 percent from 2005 levels by 2030. India also aimed to achieve 50 percent non-fossil power capacity by 2030. The goal was to reach economy- net zero by 2070<sup>8</sup>. In March 2026 India went further. The country set targets for 2031–35 including reducing emissions intensity by 47 percent below 2005 levels by 2035<sup>9</sup>. The Carbon Credit Trading Scheme, 2023 (CCTS) notified under Section 14(w) of the Energy Conservation Act marks a change. It moves from an energy-efficiency-based certificate market to a mandatory greenhouse-gas-based compliance market. This change supports India's increasing climate ambition. The CCTS represents a step-change, in India's carbon market architecture.

### ***b. Current Scenario***

As of 2026 about 490 companies that use a lot of energy are working under rules that say they have to reduce air pollution. The rules were in much better force for the year 2025-2026 than for the years 2023-2024. The first time Carbon Credit Certificates will be traded is expected to be around 2026. When all nine areas are ready the Carbon Credit Certificate system will cover more than 700 million tonnes of carbon dioxide every year. This will make India one of the biggest emission trading systems in the world. The idea of emission based trading started with an agreement in 2002. Now twenty years later India is creating its own domestic statutory compliances backed by Climate Agreements. The Carbon Credit Trading Scheme, in India is not a new law, they are the result of twenty years of work to create a system where companies can trade based on emission.

## **Definition of Asset under IBC**

### ***a. Statutory Definition***

The Insolvency and Bankruptcy Code, 2016 ("IBC" or "Code")<sup>10</sup> has built its entire asset recovery architecture on wilful expansive definition of "property."

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<sup>7</sup> Energy Conservation (Amendment) Act, No. 19 of 2022, § 14(w), India Code (2022)

<sup>8</sup> Press Release, Cabinet Comm. on Econ. Affairs (India), Cabinet Approves India's Updated Nationally Determined Contribution (Aug. 3, 2022), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1847813>.

<sup>9</sup> Press Release, Cabinet Secretariat (India), Cabinet Approves India's Nationally Determined Contribution (2031–2035) (Mar. 25, 2026), <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2245209>.

<sup>10</sup> Insolvency and Bankruptcy Code, No. 31 of 2016, India Code (2016) [hereinafter IBC]

Section 3(27) of the Code states that “**property**” includes money, goods, actionable claims, land and every description of property situated in India or outside India and every description of interest including present or future or vested or contingent interest arising out of, or incidental to, property.<sup>11</sup>

It was a conscious decision made by the drafters of this act to extend this term beyond the realm of classic standard definitions of moveable and immovable properties to encompass any and all legally cognizable economic interests- tangible or intangible, current or contingent, legal or equitable.

### ***b. Assets During Corporate Insolvency Resolution Process (CIRP)***

Once a CIRP commences, Section 18 places the interim resolution professional ("IRP") under a statutory duty to take control and custody of the corporate debtor's assets, including business records, the right of access to assets owned by or in the possession of any other person, and intellectual property and intangible assets recorded in any registry<sup>12</sup>. The breadth of Section 18(1)(f), which specifically includes assets "wherever located," reflects the Code's intent that insolvency administration cannot be frustrated by geographic or intangible barriers to possession.

### **Regulatory Genesis**

There are three sub-types of carbon credits. Firstly, credits issued under the CCTS to "obligated entities" that outperform their greenhouse-gas emission-intensity targets, tradable Carbon Credit Certificates issued under the statutory authority of Section 14(w) of the Energy Conservation Act, 2001, as amended by the Energy Conservation (Amendment) Act, 2022.<sup>13</sup> Second, credits generated by "non-obligated entities" under the CCTS offset mechanism introduced in June 2023, which allows project developers outside the compliance sector to register emission-reduction projects and monetize the resulting certificates<sup>14</sup>. Third, voluntary carbon credits issued by international registries like Verra<sup>15</sup>, Gold Standard, and others, that

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<sup>11</sup> Id. § 3(27)

<sup>12</sup> IBC § 18(1)(a)–(f).

<sup>13</sup> *Ibid.*, 11

<sup>14</sup> Ministry of Power, Amendment to the Carbon Credit Trading Scheme, 2023 (Dec. 2023) (India) (introducing the offset mechanism for non-obligated entities).

<sup>15</sup> Verra, *Verified Carbon Standard Program Guide* (2023), <https://verra.org/programs/verified-carbon-standard/>; Gold Standard, *Gold Standard for the Global Goals: Principles & Requirements* (2023), <https://www.goldstandard.org/our-story/standards>.

Indian companies increasingly hold for corporate net-zero commitments, wholly outside the CCTS's domestic statutory scheme. Each type carries a different right, a different revocation risk, and, critically for insolvency purposes, a different degree of dependence on the debtor's own continued regulatory good standing.

### **Classification of Carbon Credits as per Insolvency Law**

Carbon credits are like properties than ordinary permits. This is because once they are given out and registered they can be transferred to someone. A carbon credit can be bought, sold and used by anyone, not the person it was first given to. The system for carbon credits is set up to allow for trading with prices being decided on the market. The fact that carbon credits can be transferred is a reason why they are considered a type of property. This is what lawyers look at when they try to figure out if something's a property or a personal privilege. A personal privilege like a drivers license cannot be transferred to someone hence it is non-alienable by definition. A carbon credit is alienable meaning it can be transferred, which means its value is not tied to the person who owns it.

For example, if a mining company loses its license its lease will end, a carbon credit will still be worth something, no matter who owns it. This is because the value of a carbon credit is not dependent on the person or company that owns it but on the market. Carbon credits can be. Still keep their value, which is why they are more like properties, than personal privileges. Carbon credits are thus a type of asset that can be bought and sold and their value can be determined by the market.

### **The Moratorium and IRP's Duty to Control**

Section 14 of the code enforces a moratorium on the transfer, encumbrance or disposal of any assets by the corporate debtor once the CIRP process starts. Section 18(f) allows the Interim Resolution Professional (IRP) has to take control of the company's assets. This includes assets that the company owns even if it does not have them now.

The law is written in a way that it can apply to any kind of asset no matter what it is or how it is held. This means that it can apply to things like CARBON CREDIT CERTIFICATES, which are held in a registry account. If a company has CARBON CREDIT CERTIFICATES in a registry account it has control over them. This is similar to when a company has shares in a

demat account. The company has control over the shares because they are listed in the account.

The law is meant to be flexible and can apply to kinds of assets. It is not limited to certain types of assets. The fact that Carbon Credit Certificate are held in a registry account does not mean that they are not assets that can be controlled by the Interim Resolution Professional. The law is clear that the company has ownership rights, over its assets, including Carbon Credit Certificate. This is important for the Corporate Insolvency Resolution Process to work properly.

### **Liquidation Estate under Section 36**

If CIRP fails and the debtor moves to liquidation, Section 36(3) enumerates what forms part of the liquidation estate, including "assets over which the corporate debtor has ownership rights" and "any assets or their value recovered through proceedings for avoidance of transactions." Section 36(4) carves out specific exclusions — assets held in trust, assets of third parties in the debtor's possession under contract, and a handful of statutorily protected categories (notably, in later amendment, certain assets of financial sector regulators). Carbon credits appear nowhere in the exclusion list, which, applying the interpretive maxim *expressio unius est exclusio alterius* meaning "the express mention of one thing implies the exclusion of another.", supports their inclusion in the estate by default rather than their exclusion.

### **The Waterfall Problem under Section 53**

The inclusion carbon credits in the estate is that it does not really say how these credits are realized or disposed. Section 53 has a plan for how assets are sold and the money is distributed, but this plan is based on the idea that assets can be liquidated. Carbon credits are different from other moveable property because selling them is not just merely about getting a buyer. It is about transferring the title, which is recorded through a system that is overseen Bureau of Energy Efficiency the power exchanges and the National Steering Committee<sup>16</sup> for the Indian Carbon Market<sup>17</sup>. The Liquidator does not have the power to make the CCTS Registry to expedite the transfer. This is not a problem with carbon credits it is also a problem, with

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<sup>16</sup> Carbon Credit Trading Scheme, 2023, ¶ 4 (India) (establishing the National Steering Committee for the Indian Carbon Market).

<sup>17</sup> See generally Roy Goode, *Principles of Corporate Insolvency Law* 194–201 (5th ed. 2018) (distinguishing property rights from personal licenses in the context of insolvency estates).

spectrum<sup>18</sup> liquidation facing an identical institutional bottleneck. It is a problem that the statute has not really dealt with. This means that the realizing timelines for Carbon Credit Organizing may take longer to sort out than the statutory period of maximum 330 days of the CIRP.

### **Limitations of the Doctrine**

Classification lets us know whether carbon credits come under “property” or not but there is still a gap about what they are actually worth. This is where the insolvency practice of IBBI registered valuer frame work and twin methodologies of fair value liquidation under Companies (Registered Valuers and Valuation) Rules, 2017 begin to break.

#### ***a. Depreciation and Compliance- Period Risk***

A fixed asset has a predictable depreciation schedule which can be calculated but carbon credits, unlike fixed assets, their value can collapse discontinuously. These credits have a compliance period in which underlying emission reduction occurs called “vintage”. Buyers, especially from the international buyers complying with Corporate Social Sustainability Reporting Directive or its equivalent do not prefer older vintages or refuse them. An RP valuing debtor’s CCC holdings six month into CIRP may be valuing an asset that a buyer six months later will value at fraction of a price because the compliance period has run out. Valuers have to use methods of calculating option-pricing and decay-curve models similar to that of intellectual properties like patents and trademarks as standard asset calculation is not effective when the property can lose its value suddenly.

#### ***b. Registration and Verification Risk***

The value of a Carbon Credit Certificate is completely dependent on the issuing registry keeping records and the verification behind it being valid. If the Bureau of Energy Efficiency or someone else checks and finds out that the emission reduction for a batch of credits was not as big as they said it was the credits can become worthless. This has happened before in markets where some registries were accused of approving credits that did not really reduce emissions<sup>19</sup>.

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<sup>18</sup> Bharti Airtel Ltd. v. Vijaykumar V. Iyer, Civil Appeal No. 3088 of 2020 (Supreme Court of India, 2024); Union of India v. Aircel Ltd., Company Appeal (AT) (Ins.) No. 1231 of 2019 (NCLAT) (holding that spectrum, though a natural resource, may be treated as an asset of the corporate debtor available for resolution, subject to accounting for statutory dues owed to the regulator).

<sup>19</sup> See, e.g., Patrick Greenfield, *Revealed: More Than 90% of Rainforest Carbon Offsets by Biggest Certifier Are Worthless, Analysis Shows*, The Guardian (Jan. 18, 2023) (reporting on integrity concerns in international voluntary carbon offset verification)

The person who puts a price on these Carbon Credit Certificates has to think about the risk that the market might change. Also, the risk that the registry might not be trustworthy. This is a kind of risk that is not like the risks you have when buying and selling physical things. It is something that valuers in India do not have experience, with. They have to consider that the credits can be invalidated even after they have been sold and used, which makes it very hard to put a price on them. The value of a Carbon Credit Certificate is very uncertain because of these risks.

### ***c. Thin Markets and Price Discovery Failure***

The CCTS market is still in its early stages. It has just started its first full trading cycles<sup>20</sup>. This is a problem because there are not many trades happening. It is hard for the liquidator to sell at “market price” as they can neither trust it nor deviate from it without getting challenged under Section 60(5). The NCLT benches have already said that they do not want to make their decisions about how much things are worth unless something is really wrong with the price that the Committee of Creditors has agreed on. When there are not trades the Committee of Creditors has to accept the price that a registered valuer says is correct. This is true even if the valuer is using a method that is based on little information<sup>21</sup>. The CCTS market is still having trouble with this issue. The thin markets, in the CCTS market are causing problems because they do not have trades. The Committee of Creditors has to use the price that the registered valuer gives them for the CCTS market.

### ***d. The Contingent Liability Mirror Image***

Carbon credits also generate a mirror-image problem on the liability side that resolution plans rarely address explicitly: an obligated entity under CCTS that has *not* met its emission-intensity target does not merely lack an asset — it carries a compliance shortfall that may crystallize into a statutory obligation to purchase credits or face penalties, a liability that plan resolution applicants must price into the resolution plan's financial model with the same rigor as environmental remediation liabilities under the “polluter pays” jurisprudence Indian courts have applied in other contexts. A resolution plan that ignores this asymmetry — treating CCCs as pure upside without stress-testing the shortfall scenario — is, in the language of the CoC's

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<sup>20</sup> Ministry of Power, Press Release on Indian Carbon Market Compliance Cycle (2024–25) (India)

<sup>21</sup> K. Sashidhar v. Indian Overseas Bank, (2019) 12 S.C.C. 150 (India) (limited scope of judicial review over Committee of Creditors' commercial wisdom); Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta, (2020) 8 S.C.C. 531 (India)

commercial wisdom doctrine, arguably not "feasible and viable" within the meaning the Supreme Court has given those terms.<sup>22</sup>

### **Comparative Analysis: Emission Allowances in Foreign Insolvency Practice**

India is not the first or the only country to deal with this issue. There are other countries that have tackled this issue and we can learn from what they are doing. In the Europe when a company goes bankrupt the European Union Emissions Trading System treats the carbon credits held in the registry account as the property of insolvent estate. The insolvency officer can transfer these credits like any other financial instrument. This stance itself is reinforced by European Union's own regulation treating allowances as transferable units.

Chapter 11 practice in the United States tells a similar story. Debtors operating under the Regional Greenhouse Gas Initiative or California's cap-and-trade program have had their emissions allowances treated as estate property, listed in the debtor-in-possession's asset schedules like any other holding. Where U.S. practice pulls ahead of Indian practice is procedure, not classification: bankruptcy courts have been far more willing to greenlight expedited, court-supervised sales under Section 363 of the Bankruptcy Code, precisely because of the volatility these allowances carry. NCLT benches have no real equivalent. The IBC's CIRP and liquidation timelines are comparatively rigid, and nothing in the Code currently replicates that speed.

The lesson for India is that we do not need to create a law to deal with carbon credits. We can use the laws and property doctrines that already exists. The problem is that we need to be able to sell these credits easily. We need procedural flexibility, expedited sales mechanism, valuation methods and registry-cooperation obligations. We need to have a way to figure out how much the credits are worth. If we do not do this the value of the credits will be lost. This is the opposite of what we want to happen. We want to make sure that we get the value, from the assets that a company owns.

### **Recommendations for Insolvency and Carbon Credit Governance**

First, the IBBI should issue asset-class-specific valuation guidance for emissions-linked and

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<sup>22</sup> Committee of Creditors of Essar Steel India Ltd. v. Satish Kumar Gupta, (2020) 8 S.C.C. 531, ¶¶ 66–71 (India) (feasibility and viability as components of resolution plan compliance under § 30(2), IBC)

environmental instruments, analogous to the specialized guidance already issued for real estate and financial service provider insolvencies, requiring registered valuers to disclose vintage, registry, and verification risk as distinct line items rather than folding them into an undifferentiated discount rate.

Second, Section 18's asset-control obligations should be read — and, ideally, clarified by regulation — to impose an affirmative duty on the IRP to notify the relevant carbon-market registry of the moratorium's commencement, mirroring the existing practice of notifying depositories on insolvency of a debtor holding dematerialized securities, so that registry-side transfers cannot bypass the moratorium through administrative inertia or ignorance.

Third, resolution plans involving CCTS-obligated entities should be required, as a matter of CoC due diligence rather than fresh legislation, to include a stress-tested compliance-shortfall liability alongside any carbon-credit asset valuation, ensuring the "commercial wisdom" the CoC exercises is genuinely informed rather than one-sided.

Fourth, the Ministry of Corporate Affairs and the Ministry of Power should establish an institutional liaison comparable to the coordination that gradually developed between insolvency authorities and telecom regulators after the spectrum cases, so that liquidators are not left negotiating registry transfer mechanics from a position of institutional isolation.

## **Conclusion**

The importance of this question goes beyond what happens to one steel or cement company that has problems with money and its carbon credits. As India's carbon market gets stronger and more companies in areas have carbon credits on their balance sheets what happens when these companies go bankrupt will be a big test for the whole carbon market. The market will work only if carbon credits have monetary value and

can be enforced no matter who owns them at any given time. As established before, this stands true in doctrine for carbon credits. However, if the system does not have the ability to value these credits correctly and the right procedures in place it cannot keep its promises.

If liquidators distress-sell carbon credits at a cheap rate without knowing their true value or if they just give up on selling them because it is too complicated this will make people lose trust in the carbon market. This will hurt the goal of reducing carbon emissions that the carbon credit

system is trying to achieve. The IBC was made to help the creditors and the debtors. It is the condition on which the Carbon Credit Trading Scheme's long-term credibility, and by extension a meaningful share of India's decarbonization strategy, now quietly depends.

India needs to recognize this and make sure that the people in charge of selling assets during bankruptcy know how to value carbon credits that the registries are coordinated and that the companies are careful when buying and selling carbon credits. This is not a small improvement it is necessary for the carbon market to be credible, in the long term and for India to reduce its carbon emissions as planned. The carbon credit system and a big part of Indias plan to reduce carbon emissions depend on this.