

MINISTRY OF ENVIRONMENT, FOREST AND CLIMATE CHANGE**NOTIFICATION**

New Delhi, the 29th August, 2025

S.O. 3973(E).—Whereas, a draft notification under sub-section (1), and clause (v) of sub-section (2) of section 3 of the Environment (Protection) Act, 1986 (29 of 1986) read with sub-rule (3) of rule 5 of the Environment (Protection) Rules, 1986, was published by the Government of India in the Ministry of Environment, Forest and Climate Change *vide* S.O. 414(E), dated 29th January, 2024 in the Gazette of India, Extraordinary Part II, Section 3, Sub-section (ii), inviting objections and suggestions from all persons likely to be affected thereby before the expiry of the period of sixty days from the date on which copies of the Gazette containing the said notification were made available in the public domain;

And whereas, the copies of the said Gazette notification were made available to the public on the 1st February, 2024;

And whereas, the objections and suggestions as received from the public within the said period have been duly considered by the Central Government;

And whereas, environment audit of the projects, activities or processes, approved under the Environment (Protection) Act, 1986, or Air (Prevention and Control of Pollution) Act, 1981, or Water (Prevention and Control of Pollution) Act 1974, or Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980, and Wild Life (Protection) Act, 1972 and rules or regulations framed thereunder are important to ensure compliance of the stipulated safeguards and to verify the compliance of the environmental obligations and norms of environmental standards prescribed by the regulatory authority and their effectiveness in order to prevent, control and abate environmental pollution;

And whereas, it is important to identify projects, activities or processes that are in violation of applicable environmental regulations or standards or are non-compliant with general or specific conditions mentioned in different green approvals; and to accordingly initiate remedial steps for prevention, control and abatement of environmental pollution;

And whereas, regular audit of such projects, activities or processes with respect to environmental safeguards incorporated in associated green approvals including environmental clearance, consent to operate, and authorisation shall prompt and encourage self-compliance by putting in place internal control mechanism by the project proponent undertaking such projects, activities or processes, for the purpose of prevention, control and abatement of environmental pollution, leading to increased overall environmental responsibility and resource productivity and efficiency of the entities;

And whereas, the outcome of environment audit shall also provide important inputs in undertaking appropriate and effective measures aimed at reinforcing our efforts towards conservation and rejuvenation of environment and fulfilling the obligations of Government of India's commitment on climate action including through adopting the principles of LiFE (Lifestyle for Environment) and shall also provide inputs for effective protection of our environment including identifying best practices in prevention, control and abatement of pollution leading to better performance on environmental indicators;

And whereas, an effective environment monitoring framework comprising environment auditing through registered environment auditors is also expected to create an enabling ecosystem for implementing Government's vision on Environment, Social and Governance (ESG) rating by Securities and Exchange Board of India as well as in respect of sovereign green bond, climate financing, green credit, accredited compensatory afforestation, and carbon trading;

And whereas, environmental compliance being an important indicator of positive environmental actions, the outcome of the integrated environment audit of the projects, activities or processes can provide useful inputs into the Green Credit Rules, 2023 wherein positive environmental actions can also be incentivised in due course through market-based mechanisms and can generate tradeable green credits;

And whereas, the registered environment auditor can also act as ‘designated agency’ under the Green Credit Rules, 2023 to carry out necessary verification, as may be required, for the designated activities under the said rules, if so authorised by the ‘Administrator’ following the procedure prescribed in the said rules;

And whereas, registered environment auditor can also be engaged as ‘Verifier’ or ‘Auditor’ under various subordinate legislations made under the Environment (Protection) Act, 1986 and other such legislations or under extant rules, regulations, notifications or directions of the Government, which mandate verification and auditing for the purposes of ascertaining compliance under various legislations or notifications or directions such as the Ecomark Rules, 2024, E-Waste (Management) Rules, 2022, Plastic Waste Management Rules, 2016 and Battery Waste Management Rules, 2022 and any other rules issued by the Ministry of Environment, Forest and Climate Change from time to time including under the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980, Wild Life (Protection) Act, 1972 and rules or regulations framed thereunder;

And whereas, the proposed environment audit is not an alternate to the existing system of compliance and monitoring through government agencies but is only to supplement the current efforts of the government agencies, which will continue with their existing role of inspection and verification, as and when required;

And whereas, for the purpose of undertaking environment audit in a structured manner, it is necessary to notify the environmental audit rules that prescribes the necessary eligibility criteria and procedure for certification and registration of environment auditors, laying down their roles and responsibilities, obligation and liabilities, and the mechanism and framework, which need to be put in place before undertaking such audits; and

Now, therefore, in exercise of the powers conferred under sub-section (1) and clause (v) of sub-section (2) of section 3, section 6, section 20 and section 25 of the Environment (Protection) Act, 1986 (29 of 1986) read with clause (d) of sub-rule (3) of rule 5 of the Environment (Protection) Rules, 1986, the Central Government hereby makes the following rules for certification and registration of environmental auditor for ascertaining environmental compliance of the projects, activities or processes prescribed under various environmental regulations and rules or under any other Act or rules or regulations pertaining to Environment, Forest and Climate Change, namely: —

1. Short title and commencement.— (1) These rules may be called the **Environment Audit Rules, 2025**.

(2) They shall come into force with effect from the date of their publication in the Official Gazette.

2. Definitions. - (1) In these rules, unless the context otherwise requires, -

- a. “**Act**” means the Environment (Protection) Act, 1986 (29 of 1986);
- b. “**Administrator**” means the Administrator referred to in rule 7 of Green Credit Rules, 2023;
- c. “**Certified Environment Auditor**” means an individual certified by the Environment Audit Designated Agency as qualified to undertake environment audits and for performing such other functions;
- d. “**designated agency**” means an entity designated as such under rule 13 of the Green Credit Rules, 2023;
- e. “**environment audit**” means a systematic audit, verification, examination, inspection, or analysis of any project, activity or process having a bearing on the environment, and undertaken by the Registered Environment Auditor;
- f. “**Environment Audit Designated Agency**” means the agency or agencies, as notified by the Central Government from time to time, responsible for overall management of the Environment Audit including drawing up eligibility criteria, conducting examination for the certification, registration of Certified Environment Auditors, monitoring of their performance, trainings and capacity building;
- g. “**green approvals**” means any approval, clearance, authorisation, licence, or permission granted under the *Environment (Protection) Act, 1986*, the *Air (Prevention and Control of Pollution) Act, 1981*, the *Water (Prevention and Control of Pollution) Act, 1974*, the *Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980*, the *Wild Life (Protection) Act, 1972* or under any other applicable rules, regulations, notifications, or orders issued by the Central Government or any State Government from time to time;

- h. “**guidelines**” means the guidelines issued from time to time by the Central Government under these rules;
- i. “**National Certification Examination**” means the examination conducted by the Environment Audit Designated Agency or by any other agency engaged by Environment Audit Designated Agency after due approval of the Central Government for the purpose of certifying Environment Auditors;
- j. “**Registered Environment Auditor**” means a certified environment auditor or a firm or a body corporate comprising two or more certified environment auditors, who meet the criteria for registration as specified in the guidelines and are registered by Environment Audit Designated Agency for undertaking environment audits and for performing such other functions as may be prescribed by the Central Government from time to time.

(2) Words and expressions used in these rules and not defined herein, but defined in the respective Acts, shall have the meanings respectively assigned to them in the said Acts.

3. Roles and responsibilities of Registered Environment Auditors.— The roles and responsibilities of Registered Environment Auditors shall include, but not be limited to the following, namely:—

- i. undertaking environment audits of projects, activities, or processes governed by applicable environmental laws and regulations;
- ii. conducting sampling and analysis of emissions, effluents, wastes, and evaluating the effectiveness of pollution control and waste management systems installed;
- iii. reporting any violations or non-compliance of applicable environmental regulations related to the project, process, or activity, as the case may be;
- iv. computing environment compensation for non-compliance and violations, wherever required by the competent authority;
- v. preparing and submitting environment audit reports in accordance with extant regulations and guidelines;
- vi. carrying out verification activities related to the Green Credit Registry established under rule 10 of the Green Credit Rules, 2023 as a ‘designated agency,’ if authorised by the ‘Administrator’ under the said rules;
- vii. to undertake environment audit assigned by the Central Pollution Control Board, either directly or through a designated agency, or by the State Pollution Control Board or the Pollution Control Committee, including under the Extended Producer Responsibility framework as prescribed in the rules notified under the Environment (Protection) Act, 1986;
- viii. to undertake environment audit, as assigned by the competent authority, under the provisions of the Ecomark Rules, 2024;
- ix. to undertake environment audit as assigned by the Competent Authority under Environment Impact Assessment Notification, 2006, [S.O. 1533, dt 14th September, 2006], Coastal Regulation Zone (CRZ) Notification, 2011 [S.O.19 (E), dt 6th January, 2011], and Coastal Regulation Zone (CRZ) Notification, 2019 [G.S.R. 37(E), dt 18th January, 2019];
- x. to undertake, upon assignment by the project proponent, environment audits of projects, activities, or processes governed under extant environmental laws, rules, regulations, notifications and orders;
- xi. verifying self-compliance reports submitted by projects, activities, or processes to ensure adherence to prescribed environmental regulations, standards and conditions; and
- xii. performing any other functions as may be specified or directed by the Central Government from time to time.

4. Site visit and sampling.— The Registered Environment Auditor, in respect of the projects, activities, or processes assigned to it by the Central Government, State Government, or any of their organisations, shall have the authority to enter the premises, collect samples, obtain audit evidence, and access such other information or documents as may be deemed relevant and necessary for the purpose of proper discharge of their assigned responsibilities, which shall be made available by the project proponent.

5. Roles and responsibilities of the Environment Audit Designated Agency (EADA).— The roles and responsibilities of the Environment Audit Designated Agency shall include, but not be limited to, the following, namely:—

- i. specifying minimum eligibility criteria for Certified Environment Auditors;
- ii. developing screening methodologies, which may include conducting examinations and/or other processes to identify qualified candidates for their certification as Certified Environment Auditor;
- iii. certifying environment auditors including renewal, suspension, withdrawal, or cancellation of such certifications;
- iv. specifying the criteria for registration of the Certified Environment Auditor;
- v. registration of the Certified Environment Auditor including renewal, suspension, withdrawal, or cancellation of such registrations;
- vi. monitoring the performance of Registered Environment Auditor and issuing directions as necessary;
- vii. facilitating capacity building through training programs, workshops, seminars, conferences, online courses, and other relevant initiatives for Certified Environment Auditor and Registered Environment Auditor;
- viii. taking disciplinary action against Certified Environment Auditor and Registered Environment Auditor, wherever required;
- ix. specifying guidelines, procedures, and standards governing the functioning of Certified Environment Auditor and Registered Environment Auditor;
- x. maintaining an online register of all Certified Environment Auditors and Registered Environment Auditors, which shall be publicly accessible;
- xi. publishing an annual report of its activities within six months from the end of each financial year, and submitting a copy of the report to the Central Government within thirty days of its publication.

6. Notification of Environment Audit Designated Agency.— The Environment Audit Designated Agency shall be notified by the Central Government on the basis of the eligibility criteria, the terms and conditions, and tenure in respect of Environment Audit Designated Agency as may be specified in the guidelines issued by the Central Government from time to time. The Central Government may, based on the performance of the respective agency, revoke such notification at any time before the expiry of its tenure. The tenure of Environment Audit Designated Agency may be renewed, subject to fulfilment of such criteria as may be specified in the guidelines issued by the Central Government.

7. Mechanism for Certification.— The certification of environment auditors shall be carried out by the Environment Audit Designated Agency through the following two modes:-

- i. **Recognition of Prior Learning (RPL):** A mode of certification based on prior experience and expertise, which shall remain in operation for a limited period as may be specified by the Central Government;

- ii. **National Certification Examination (NCE):** A structured examination process for assessing eligibility for certification.

Note.— The detailed procedure for certification of environment auditors including the minimum eligibility criteria for each mode of certification shall be such as may be provided in the guidelines issued by the Central Government.

8. Mechanism for registration of Certified Environment Auditors.— The detailed procedure for registration of Certified Environment Auditors including the eligibility criteria with respect to technical capacity, personnel qualifications, track record, and other relevant parameters, shall be as specified in the guidelines issued by the Central Government.

9. Period of validity of registration of Certified Environment Auditor.— The registration of Certified Environment Auditor shall be valid for a period of five years, unless revoked earlier in accordance with the provisions of rule 11 of this notification, and shall be renewable subject to the fulfilment of criteria as specified in the guidelines issued by the Central Government from time to time.

10. Operational Autonomy of Environment Audit Designated Agency and Registered Environment Auditor.—

(1) Subject to the provisions of these rules and any directions that may be issued by the Central Government from time to time, the Environment Audit Designated Agency shall exercise operational and functional autonomy in the discharge of its roles and responsibilities. It shall be responsible for performing the functions in a professional, impartial, and transparent manner, and shall exercise due diligence in all aspects of its functioning.

(2) The Registered Environment Auditor shall act in accordance with the applicable rules and regulations of the Central Government and the guidelines issued by it, time to time.

11. Code of Conduct.— (1) The Central Government shall issue guidelines on the code of conduct to be followed by the Registered Environment Auditor and Certified Environment Auditor, incorporating aspects of professional conduct including integrity, ethics, confidentiality, and conflict of interest;

(2) Misrepresentation, suppression, concealment, falsification, or any other form of distortion of facts or data during the discharge of responsibilities under this Rules shall be deemed as professional misconduct.

(3) Registered Environment Auditor shall maintain strict confidentiality concerning all information related to the project and the project proponent. Any unauthorised disclosure of such confidential information shall be treated as professional misconduct.

(4) Without prejudice to any other action that may be initiated under any law in force, one or more of the following actions may be taken in respect of any professional misconduct under these rules:-

- i. **Debarment:** The Central Government shall have the authority to debar any Certified Environment Auditor or Registered Environment Auditor, for a specified period or permanently.
- ii. **Suspension or Revocation of Registration or Certification:** The Central Government shall have the authority to suspend or revoke the certification of any Certified Environment Auditor and certification and/or registration of any Registered Environment Auditor.
- iii. **Action under applicable laws:** The Competent Authority may initiate proceedings against any Certified Environment Auditor and Registered Environment Auditor under the provisions of respective Acts and rules or regulations framed thereunder or under any other applicable law.

(5) No action shall be taken under this rule without affording an opportunity of being heard.

12. Conflict of Interest.— (1) To ensure independence and prevent any conflict of interest, Registered Environment Auditor undertaking audits shall not,—

- i. be related to any owner, operator, occupier, or project proponent of the relevant project, process, or activity. Such relationships include, but are not limited to, employer, business partner, employee, contractual associate outside the audit, spouse, partner, sibling, parent, or child;
- ii. have or have had any pecuniary interest in the relevant project, process, or activity of the auditee, or in its holding, subsidiary, or associated company. This includes any situation where there is a reasonable likelihood or expectation of financial gain for the auditor or any related person;
- iii. have provided services (other than independent reviews or auditing) to the project, process, or activity such that they would be auditing work performed by themselves or their firm;
- iv. accept any inducement, commission, gift, or other benefit from the auditee, their employees, or any interested party, nor knowingly permit colleagues to do so;
- v. jointly or severally undertake the environment audit of any auditee for whom the Registered Environment Auditor has prepared the Environmental Impact Assessment, Environmental Management Plan (EMP), or submitted any other report that forms part of the subject matter of the Environment Audit;

(2) The Registered Environment Auditor shall submit an undertaking in the format specified in this regard before taking up any task, which may be assigned, to it either by the Project Proponent or by the Central or State Government or its Agencies.

13. Assignment of Registered Environment Auditor to Projects for Environment Audit.— Subject to the provisions of rule 12, the assignment of Registered Environment Auditor to specific project entities shall be done by a random assignment method.

14. Fee.— The amount and procedure for payment of the certification, registration and audit fee shall be subject to any guidelines issued by the Central Government in this regard, and the same shall be binding on the Certified Environment Auditor and Registered Environment Auditor.

15. Steering Committee.— (1) There shall be a steering committee to oversee the implementation of the Environment Audit Scheme. The Committee shall comprise of the following members:—

- i. Additional Secretary, MoEFCC-Chairperson;
- ii. One representative of the Impact Assessment Division of the Ministry of Environment, Forest and Climate Change- Member;
- iii. One representative of the Forest and Wildlife Division of the Ministry of Environment, Forest and Climate Change – Member;
- iv. One or two representatives of the CPCB dealing with various waste management rules, Ecomark Rules or any other relevant rules or regulations – Member;
- v. One representative of the Regional Office or Sub-Office – Member.

(2) The Steering Committee may, with the prior approval of the Chairperson, invite or co-opt any other person to the meeting of the Steering Committee.

(3) The Steering Committee shall be responsible for the overall implementation, monitoring, and supervision of the rules.

(4) The Steering Committee shall review and recommend amendment, in the provisions of the Environment Audit Rules and any related guidelines.

(5) The Steering Committee shall take all such measures as it considers necessary for the effective implementation of these rules.

16. Power to give directions.— (1) For the effective implementation of these rules, the Central Government may issue directions to the Environment Audit Designated Agency, Registered Environment Auditor, or any other person or entity involved in the process and such persons or entities shall be bound to comply with the directions so issued.

(2) In the event of any conflict between the Environment Audit Report submitted by a Registered Environment Auditor and that submitted by an Officer or official of the Central or State Government, the latter shall be deemed to be final, as the case maybe, and shall prevail for reasons to be recorded in writing and after due approval of the Joint Secretary or equivalent level officer-in-charge of the affairs of Environment Auditors.

17. Power to remove difficulty.— If any question arises relating to the interpretation of these rules, the decision of the Central Government thereon shall be final.

18. Power to issue guidelines.— The Central Government may, for the purpose of effective implementation of these rules, issue guidelines from time to time, as deemed appropriate.

19. Savings.— (1) Nothing contained herein prevents mandating any other audit by the Central Government, as may be required from time to time by any other agency as deemed appropriate under the facts and circumstances of the case.

(2) Nothing contained herein prevents the Central Government from initiating any action, in case of any report of damage to environment, and which is brought to its knowledge through sources other than that through environment auditing under this Rules.

[F. No. IA-J-11014/3/2021-IA-I.Part 1]

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