

CAFE norms inappropriate for India: Maruti Chairman

POLICY BIAS. 'Norms make compliance tougher for smaller cars, which is unjustified'

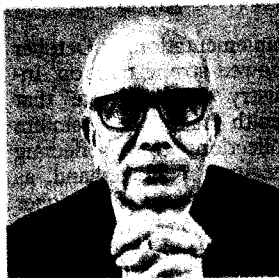
S Ronendra Singh
New Delhi

Maruti Suzuki India Chairman RC Bhargava said, in his "personal opinion", the Corporate Average Fuel Efficiency (CAFE) standards should not exist at all, arguing they were European norms created for larger, heavier cars and inappropriate for India.

"I think the CAFE norms are inappropriate, but that's a different matter — that's my view. Regulation should not be biased in favour of anybody. These norms (the current draft CAFE-3 norms in India) are biased in favour of big cars and are, therefore, inappropriate. They were made in Europe, they reflected the power structure there between car makers — the German manufacturers were the most powerful," Bhargava told *businessline*. "You want CAFE norms to im-

How does a norm that favours larger & heavier cars improve fuel efficiency, reduce emissions?

RC BHARGAVA
Chairman, MSIL



prove fuel efficiency and reduce emissions. How does a norm that favours larger and heavier cars really do that? At least give some merit somewhere," he said.

Bhargava added that any policy or regulation should remain neutral. There should be no discrimination in favour of or against any class of vehicle unless the government explicitly declares such intent. "The norms of CAFE ...actually favour bigger cars. As weight decreases, the norms become less favourable for smaller cars. There is

a bias in the entire system in favour of heavier cars. I don't understand why that should be so, or how it is justified," he said.

DRAFT CAFE-3

His comments come amid industry discussions on the draft CAFE-3 standards for four-wheelers, set to take effect from April 1, 2027 to March 31, 2032. Bhargava said the first draft of the policy, released in December 2024 by the Bureau of Energy Efficiency (BEE), favoured larger vehicles. The latest

draft, issued in September, has made some corrections by including small cars — a "small but right step," he noted.

"So what the Power Ministry (BEE) is doing now is, I think, a small step in the right direction. It's not a full correction of the CAFE norms, but at least it's a beginning. Who supports it or not is not really relevant — I am more concerned with what is right and what is wrong." After extensive deliberations, the Society of Indian Automobile Manufacturers (SIAM) recently submitted its feedback to the BEE on the draft CAFE-3 norms. However, the industry body could not reach a consensus, leaving it to the government to decide. Maruti, Honda Cars India and Renault India support small-car-friendly provisions; Tata Motors, M&M, Hyundai Motor and Kia have backed weight-based relaxations for larger vehicles.