

# Carmakers still monitoring CAFE norms, await release of govt data

Our Bureau  
New Delhi

Automobile companies have said that they are still monitoring the situation on Corporate Average Fuel Efficiency Norms (CAFE) with alternative fuels like CNG, hybrid, efficient engines or electric vehicles, while the government has not published any new data on the average CO<sub>2</sub> emitted by vehicles of each company.

CAFE norms are imposed on the entire fleet of a car maker and the government has set a limit on the total emission of CO<sub>2</sub> produced by all the vehicles in a financial year. The norms have forced the companies to make more efficient cars thereby emitting less pollutants and increasing fuel efficiency. The CAFE norms was notified in 2018 with two target phases of CO<sub>2</sub> emission of 130g/km by 2022-23 and 113 g/km from 2022-23 onwards.

## MEETING THE NORMS

Market leader Maruti Suzuki India has already met the norms with below the target at 104.73g/km instead of 107.28 g/km. Tata Motors too has achieved 105.75 g/km from the target of 118.81 g/km.

However, Hyundai Motor India (HMIL), Skoda Auto Volkswagen India and Mahindra & Mahindra are at lower slab of penalty (₹25,000 per car), while companies like Kia India, Renault India, Nissan Motors India, Honda Cars India and Force Motors are in red which means they are on higher slab of penalty (₹50,000 per car).

"The Group also confirms that the amendments pursuant to the Energy Conservation (Amendment) Bill, 2022 read with The Motor Vehicles (Amendment) Act, 2019 norms is effective from April 1, 2023. We have been monitoring the situation on this topic. Our endeavour is to meet the CAFE norms and we are working towards it with the help of application of strong hybrid technology and battery electric vehicle in future," HMIL said.

In its Red Herring Prospectus (RHP) to SEBI, the company recently said it believes that computation of average fuel efficiency based on sales recorded is in compliance with the prevalent norms as at the reporting period end. "It may be noted in this context that such compliance was subject to scrutiny by the regulatory authorities on the basis of

the filings made by the Group and the scrutiny for such compliance was completed by the regulatory authorities on the basis of the filings made by the Group and confirmation on compliances has been obtained by the Group," it said.

## NO BIG IMPACT

HMIL added that for the financial year 2024-2025, based on the projected sales volume and mix, as on the reporting date, management has confirmed that the Group would be in compliance with CAFE and accordingly they do not expect any material impact on the financial position for the period ended June 30, 2024.

As of quarter four (Q4) 2022-23, HMIL has achieved actual CO<sub>2</sub> of 120.27 g/km from the target of 115.78 g/km. Similarly, Honda Cars India has achieved actual CO<sub>2</sub> of 127.72 g/km from the target of 110.79 from the data of Q4 FY2022-23. A Honda Cars India spokesperson said, "We have been monitoring the situation on this topic. Our endeavour is to meet the CAFE norms and we are working towards it with the help of application of strong hybrid technology and battery electric vehicle in future."