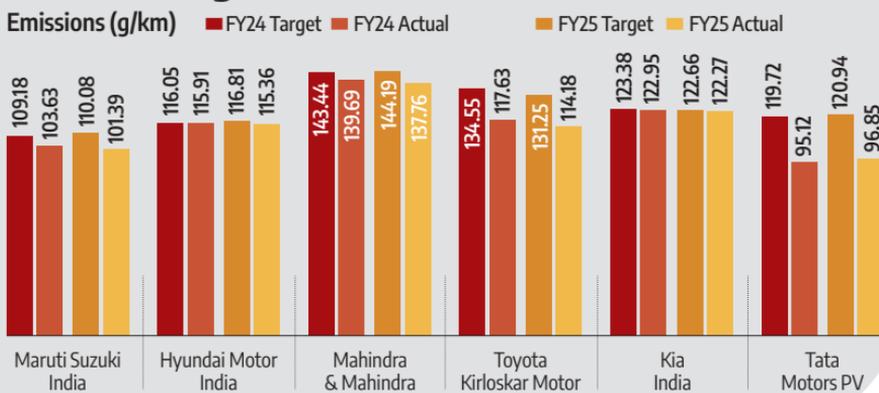


Six OEMs meeting targets makes BEE rethink CO₂ norms

Room for tighter norms



Source: BEE

DEEPAK PATEL

New Delhi, 26 February

India's top six carmakers have been able to meet their targets on carbon-dioxide emission under the CAFE-2 for 2023-24 (FY24) as well as FY25, leading to the Bureau of Energy Efficiency (BEE) considering tougher goals under the upcoming CAFE-3 regime, *Business Standard* has learnt.

The data compiled by the BEE, meanwhile, indicates a clear divergence in performance margins. Companies such as Hyundai Motor India Ltd (HMI) and Kia India have narrowly met their fleet-average targets in both years.

On the other hand, Maruti Suzuki India Ltd (MSIL), Mahindra & Mahindra (M&M), Toyota Kirloskar Motor (TKM) and Tata Motors Passenger Vehicles (TMPV) have comfortably complied with the norms, showing wider gaps between the prescribed limits and emission.

At MSIL, fleet emission stood at 103.635 gm/km in FY24 against a target of 109.185 gm/km. Emission declined to 101.389 gm/km in FY25 as against a target of 110.076 gm/km, indicating a growing cushion over the mandated levels.

TMPV recorded the widest margin among the six. Its emission was 95.119 gm/km in FY24 versus a target of 119.722 gm/km. In FY25, it reported 96.852 gm/km against a target of 120.939 gm/km, reflecting a gap of over 20 gm/km in both years.

The CAFE policy works by following a block-based approach. The BEE prescribes a single industry-wide target for each five-year block: 130 gm/km for CAFE-1 (FY17-22) and 113 gm/km for CAFE-2 (FY23-27). The BEE would then derive individual annual targets for each carmaker from that industry-wide benchmark, using a mathematical formula linked to the average kerb weight of vehicles sold.

BEE officials stated individual emission targets for several carmakers, including MSIL and TMPV, had risen marginally under CAFE-2 over the past couple of years, reflecting an increase in the average kerb weight of their fleets during this period.

A TMPV spokesperson, in response to *Business Standard's* queries, said the rise in kerb

weight should be viewed in the context of safety upgrades. [Kerb weight, or unladen mass, is the weight of a vehicle in ready-to-drive condition with all standard equipment and fluids (including fuel) but without passengers or cargo.]

"Safety is a core priority in vehicle design and engineering at TMPV. The addition of advanced safety features and structural reinforcements has contributed to a steady increase in vehicle kerb weight," the spokesperson added.

BEE officials told *Business Standard* that under CAFE-2, the gap between targets and emission had been widening. This suggests the industry can handle tougher standards in the CAFE-3 norms, which will come into force between FY28 and FY32, they said.

During a February 10 meeting at the Ministry of Heavy Industries (MHI), BEE officials said CAFE-3 could move away from the block-based model by prescribing separate industry-wide emission ceilings for each year between FY28 and FY32, tightening annually from 92.5 gm/km to 77.08 gm/km. As the benchmark declines each year, company-specific targets will become progressively tougher in every successive year of CAFE-3. This would mark a significant shift from CAFE-2, where the annual targets remained broadly stable over the five-year period. The Society of Indian Automobile Manufacturers (SIAM), however, on February 19 suggested retaining a single industry-wide target of 89.6 gm/km for the five-year period under CAFE-3. A TMPV spokesperson said that while the firm was "well positioned on CAFE compliance", a year-on-year increase in stringency "could be challenging", given the differences in readiness and investment cycles in the industry.

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