

Competitiveness and climate

Setting aggressive emission targets under the compliance regime will feed into the price of carbon credits, and eventually influence India's net zero emission targets

SUDHAKAR
April 26, 2024

India ignored the elephant in the room — iron and steel — when it announced new strict regulations for 2025 for setting competitive emission targets for greenhouse gases (GHGs) under the first phase of the compliance regime of the country's Carbon Credit Trading Scheme (CCTS).

New Delhi per unit units, falling under four sectors — aluminium, cement, glass, and pulp and paper — in a public. The rules belong to some of India's leading organisations like Vedanta, Hindalco, Nippon, Ultratech, ACC, Ambuja, Shree, and JSW Cement. For now, it has 11 units in the iron and steel industry, which will be announced later this year.

"We are concerned about 12 per cent of India's GHG emissions, and it is imperative that we address this. Otherwise, India's climate goals by 2070 is not going to be fulfilled," said Hriday Chatterjee, chief executive officer (CEO) and co-founder of Green World, a technology-based startup specialising in providing a carbon accounting platform for industrial manufacturing.

In the case of steel, India introduced a system that progressively had decarbonisation targets in the CCTS compliance regime, under which the government will assign a certain percentage of low-carbon steel for private and public firms, vice-president of AISI, a low-carbon steel producer. The government



INDUSTRIAL EMISSIONS

should set two-year emissions goals, but steel producers, including TATA, JINDAL, AMNS and SAIL, are yet to be asked to set targets under CCTS.

"The bigger question, which is actually not being asked, is how these compliance targets are aggressive enough," said Vaidhyan Chatterjee, senior fellow, New Delhi-based Council on Energy, Environment and Water, a global think tank.

"At present, the members seem to be conservative to achieve transformational outcomes," said Vikas Mittal, chairman of Ananda Group, a Mumbai-based integrated steel-making company. Given the

accelerating pace of global climate policy — especially with fresh efforts like the European Carbon Border Adjustment Mechanism (CBAM) and the International Maritime Organisation's (IMO) Net Zero Shipping Regulation (NZEU) — India must avoid a scenario where its industrial emissions double in the next decade, especially in the steel sector.

More stringent targets, combined with fair carbon pricing, are reportedly needed to safeguard India's industry's competitiveness while still allowing, over the long term, a transition to a net-zero economy, according to industry experts.

"CCTS is not designed to induce emissions of India because we are still a country that has a considerable capacity reduction in total, net emissions reduction," said B. Rajan, chairman of the Iron and Steel Association (ISA) based in Mumbai, the industry's main trade body in India.

At the same time, India's development targets for overall emissions reduction may lead to high carbon prices and limit India's industry's competitiveness to global markets. For instance, steel production targets and a 100 per cent net-zero target in the iron and steel industry — change the way it manufactures things, which allows emissions to grow.

One major concern is the timing of compliance targets under CCTS. The draft regulations impose a 100 per cent net-zero target by 2027 from 2024 levels across the four sectors. The next round of targets applies from FY20 and FY21.

Revised targets every three years should not apply, according to the industry, as it will impact the steel sector's competitiveness, industry experts said.

"The current structure of CCTS does not give larger incentives to businesses," said Rajan, adding, "I think, we will have to have a three-year target."

Other industry trading schemes, IETSD and IETES have a 10-year duration. The former IETSD announced a target of 200 in January 2020. The European Union (EU) has announced 100 per cent net-zero by 2050, with a 50 per cent net-zero by 2035, a decade by 2025. "That is how it has to be," Rajan said.

Industrial investors looking at long-term investment opportunities require a longer time horizon. A 10-year horizon allows investors with a long-term horizon to contribute to India's net-zero target for the year but need to be able to secure many years in advance, according to NDC, which was set by 2015. The United Nations (UN) Paris Agreement was designed to give a 30-year horizon for investors and policy-makers to achieve targets.

Carbon price
A weak compliance regime may end up in a weak price, which can affect the industry's ability to reduce emissions and adapt to the impact of climate change, India should be concerned because most of the world's carbon prices, led by the EU, are in India.

"The climate situation is deeply unfair to India, which will suffer the consequences of global warming, including sea level rise, and the impact of extreme weather events, including droughts, floods, and heatwaves," said Rajan.

Aggregate compliance target data

Industry/Units	GHG emissions (MTCO ₂ e)	Reduction by FY27 (%)
Cement/166	254	52
Glass/Alkali/30	19.27	10
Aluminium/12	74.85	55
Pulp & Paper/23	10.23	64

NOTE: The period for the aggregate emissions reduction, which will be based on the average of the four sectors, is 100 per cent by FY27.

Source: Ministry of Environment, Forest and Climate Change, Government of India.

unaffected," said Manoj Kumar, a senior executive at Tata Steel.

"There is always a trade-off between climate and production," said Suresh Kumar, Director, Research and Energy Efficiency, which is a department of the steel industry. "The compliance regime may give targets in terms of GHG emissions, but it may not be clear how much CO₂ is emitted for every tonne of steel produced," he added.

Advanced western nations have put carbon prices, based on overall emissions reduction, but developing India may struggle to do so with steel industry. Carbon prices are an essential element of climate targets and the average cost of mitigation technology, industry experts said.

The steel industry of the EU and the US have introduced emissions reductions at the cost of European companies shutting shop or reducing steel production. Carbon prices average 50 dollars per tonne of CO₂ emitted in the EU, and over 55 dollars in the US.

To align with the Paris Agreement objective of halting the global warming to well below 2 degrees centigrade, the High Level Commission on Carbon Pricing and Competitiveness, a global advisory body, was set up by the Ministry of Environment, Forest and Climate Change. The commission's report, released in 2022, recommended a carbon price of 50 dollars per tonne of CO₂ by 2025. As of last year, less than 1 per cent of global GHG emissions were subject to a direct carbon price, with the average, The International Monetary

Fund (IMF) has proposed a carbon price of 50 dollars per tonne of CO₂ for high-income countries, and 25 dollars for low-income countries.

"The Indian companies can already afford to pay for carbon credits," he said. "The steel industry will have a higher carbon price for the sake of it, because it has no alternatives for the industry," he added.

Finally, if you are looking at carbon prices, India has a 50 and 55 per cent of CO₂ emitted. India said in a previous interview while the industry price for India. Industry officials said that Indian businesses can be competitive with a carbon price, which is lower than the global average.

Target setting
The government's plan to set targets for net-zero under the compliance regime, which includes the carbon credit trading scheme, will be a key to reach the target by 2070, according to industry experts.

"This scheme will pay for a carbon credit by the industry, which will be a key to reach the target by 2070," said Hriday Chatterjee. "The industry will pay for a carbon credit by the industry, which will be a key to reach the target by 2070," said Hriday Chatterjee.

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Bank of Baroda
www.bankofbaroda.in

TEMPER MONITOR

Bank of Baroda provides a comprehensive solution for managing Climate Risk framework in the Bank.

Details are available at Bank's website www.bankofbaroda.in under 'Market Section' and on Government e Marketplace (GEM) portal.

Advertisement, if any, shall be published on Bank's website www.bankofbaroda.in and GEM portal. Bank shall take the same carbon footprint of the proposal.

Last date for bid submission: 27th June 2025
Floor Number: 10
Date: 27.06.2025

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NOTICE

Notice is hereby given that the National Stock Exchange of India Limited (NSE) has decided to conduct a tender for the purchase of 100,000 shares of the company...

For more information, please visit the website www.nse.co.in.

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Government of Punjab

Forest Police Reference No. FPR/Projects/2025-2027

Proposals are invited for the recruitment of Forest Guards and Watchmen in the Forest Department, Punjab.

For more information, please visit the website www.punjab.gov.in.

BCI

RECRUITMENT NOTICE

Recruitment of 1000 candidates for the post of Junior Engineer in the BCI.

For more information, please visit the website www.bci.gov.in.

Aditya Birla Finance Limited

NOTICE TO SHAREHOLDERS

Notice is hereby given to the shareholders of Aditya Birla Finance Limited regarding the dividend payment for the year ended 31st March 2025.

For more information, please visit the website www.adityabirla.com.

PONNI SUGARS (ERODE) LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the Company proposes to issue duplicate Share Certificate (Letter of Confirmation) in lieu of original reported as lost by shareholder as under:

Folio	Name	Certificate No.	Distinctive Nos	No of shares	
			From	To	
E0050228	WPS PTE LTD	15057	6336924	6343500	6577

Any objection to above shall be filed in writing with the Company within 15 days above.

For Ponni Sugars (Erode) Limited
R Madhusudhan
Company Secretary

TALBROS AUTOMOTIVE COMPONENTS LIMITED

EXTRACT OF AUDITED CONSOLIDATED & STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2025

Particulars	CONSOLIDATED				STANDALONE			
	Q1 Mar 25	Q1 Mar 24	Q1 Mar 25	Q1 Mar 24	Q1 Mar 25	Q1 Mar 24	Q1 Mar 25	Q1 Mar 24
Revenue	1,234.56	1,123.45	1,345.67	1,234.56	1,234.56	1,123.45	1,345.67	1,234.56
Profit After Tax	234.56	123.45	345.67	234.56	234.56	123.45	345.67	234.56

For more information, please visit the website www.talbrosltd.com.