# India CBAM, BRSR Core and Scope 3 in 2026: A Decarbonisation Playbook

By Sudarshan Karweer · 27 August 2026 · growthifye.com

*A 2026 practitioner guide for Indian industry on CBAM, BRSR Core, Scope 1/2/3, MRV, MACC and RE-led decarbonisation.*

Indian industry entered 2026 with a clear shift in decarbonisation priorities: the hardest part is no longer announcing targets, it is producing decision-grade emissions data and converting that data into a bankable action plan. For export-oriented sectors, this has become urgent because product-level carbon intensity increasingly affects customer qualification, pricing discussions and supply-chain access. For listed companies and their lenders, BRSR Core has moved climate data quality from a CSR-adjacent topic into the realm of assurance, board oversight and capital allocation.

For many companies, the next 24 months will be defined by four connected questions:

- What are our verified Scope 1, 2 and 3 emissions at facility and product level?
- Which reduction levers are cheapest today, and which need a staged roadmap?
- How exposed are our exports to the EU Carbon Border Adjustment Mechanism (CBAM) and similar buyer-driven carbon requirements?
- How do we build an MRV architecture that works for BRSR Core, SBTi-aligned target setting, internal capex approvals and future carbon market participation?

This article lays out a practical Indian playbook for 2026, focused on CBAM exposure, Scope 3 readiness, BRSR Core expectations, marginal abatement cost curves, and the right sequencing of renewable energy, electrification, fuels transition and carbon-market preparedness.

## Why 2026 is different for Indian decarbonisation teams

Three developments have changed the operating context.

First, emissions disclosure is maturing from annual sustainability reporting into transaction-grade data management. Customers in steel, aluminium, cement, chemicals and engineering goods are asking not only for corporate emissions totals, but for plant-level and shipment-linked emissions factors, boundary notes, electricity sourcing details and verification trails. That requires much stronger metering, ERP integration and supplier-data governance than many companies built for earlier ESG reporting cycles.

Second, cost competitiveness of key abatement levers has improved. For many commercial and industrial consumers in India, delivered renewable power through open access can still be materially cheaper than grid tariffs, depending on state, contract design, banking rules and cross-subsidy surcharge treatment. In several states, all-in landed cost for open-access solar or solar-wind hybrid for well-structured consumers can sit in the roughly Rs 4.0-5.5/kWh range, while industrial grid tariffs often remain around Rs 6.5-9.0/kWh or higher for HT consumers after demand charges, time-of-day structures and duties. The exact advantage depends heavily on state policy and load shape, but RE-led Scope 2 reduction is still one of the most immediately actionable decarbonisation levers in India.

Third, policy architecture is broadening. Companies now need a view on BRSR Core, India’s Carbon Credit Trading Scheme ecosystem, PAT-like efficiency logic where relevant, potential Article 6 opportunities for projects, and export exposure to overseas carbon frameworks. These are not separate teams anymore.

Finance, procurement, operations, sustainability and legal need a common emissions data backbone.

## CBAM exposure: move from generic risk discussion to product-level numbers

For Indian exporters, CBAM is often discussed at too high a level. The practical question is not whether a company is “exposed” in general, but which products, plants and customers are exposed, and what embedded emissions values can be credibly reported.

The sectors initially most discussed under CBAM include iron and steel, cement, aluminium, fertilizers, hydrogen and electricity, with downstream value-chain implications increasingly shaping procurement behavior even beyond the initial list. Indian firms supplying into European manufacturing chains are already seeing buyer questionnaires extend beyond direct emissions to electricity sourcing, upstream raw-material intensity and evidence of process improvements.

A working CBAM exposure assessment should include:

- Export revenue split by product, destination and customer
- Plant-wise production volumes and process routes
- Direct fuel mix, kiln/furnace technology, captive generation profile and grid consumption
- Product-specific embedded emissions methodology
- Current and expected carbon cost pass-through in customer contracts
- Competitor benchmarking by geography and process route
- Decarbonisation capex options linked to each product line

Take steel as an example. A blast-furnace/basic oxygen furnace route and an electric arc furnace route can have very different emissions profiles depending on scrap mix, DRI input, power source and gas/coal intensity. In aluminium, smelting power-source intensity dominates the story. In cement, clinker ratio, thermal substitution and waste heat recovery matter significantly. A generic company-wide emissions number is not sufficient for commercial decision-making.

In 2026, prudent exporters should build at least three views:

- Corporate inventory for reporting and target setting
- Facility inventory for operations and capex planning
- Product carbon footprint for customer-facing disclosure and border adjustment preparedness

This is where [Carbon accounting & disclosure](/coreservices/netzerodecarbonisation/carbonaccountinganddisclosure) becomes a business continuity capability, not just a reporting exercise.

## BRSR Core and Scope 3: what boards and lenders now expect

BRSR Core has changed the standard of evidence expected from large Indian corporates and supply chains. Boards now need to ask whether the company’s disclosed energy, emissions, water, waste and value-chain indicators are based on auditable systems or on spreadsheet estimations assembled at year-end.

For decarbonisation strategy, the biggest operational challenge remains Scope 3. In many sectors, Scope 3 emissions can account for 70-95% of total footprint, especially where purchased materials, logistics, use-phase energy or sold-product processing dominate. Yet data maturity is often weakest here.

A practical Scope 3 programme in India should avoid trying to perfect all categories at once. Start with material categories and high-spend suppliers.

Priority categories commonly include:

- Purchased goods and services
- Fuel- and energy-related activities not in Scope 1 or 2
- Upstream transportation and distribution
- Waste generated in operations
- Business travel and employee commuting where material
- Downstream processing or use of sold products in select sectors

In 2026, lenders and sophisticated buyers increasingly distinguish between three levels of Scope 3 maturity:

- Spend-based estimates using secondary factors
- Supplier-specific activity data with standard emission factors
- Primary supplier emissions data with allocation logic and assurance controls

Most Indian firms are still between the first and second stages. The near-term objective should be to move key categories into supplier-specific activity data, especially for high-emissions inputs such as steel, cement, aluminium, chemicals, packaging and long-haul logistics.

A practical governance model includes:

- Procurement-led supplier segmentation by spend and emissions relevance
- Standardized supplier templates aligned to GHG Protocol logic
- Contract clauses for energy and emissions data provision
- Monthly or quarterly data capture for major vendors
- Internal audit trails, emission-factor version control and restatement rules

This is also where [Net-zero roadmaps & MACC](/coreservices/netzerodecarbonisation/netzeroroadmapsandmacc) becomes more useful than a standalone target statement. Once Scope 3 hotspots are visible, companies can identify supplier engagement programmes, alternate materials, circularity options, lower-carbon logistics routes and shared-investment opportunities.

## Build a MACC before approving decarbonisation capex

Many firms still pursue decarbonisation projects opportunistically: rooftop here, VFDs there, one pilot electrification project elsewhere. That leaves money on the table and often delays the most economical reductions.

A marginal abatement cost curve, or MACC, helps rank interventions by Rs per tCO2e abated while also showing capex, implementation time, operational risk and co-benefits. In Indian industrial settings, a 2026 MACC should usually cover at least the following levers:

- Energy efficiency in motors, drives, compressed air, steam, HVAC and process integration
- Waste heat recovery where thermal profile supports it
- Rooftop solar for daytime captive load where roof and DISCOM rules permit
- Group captive or third-party open-access solar/wind/hybrid

- Battery storage for selected demand-management cases where economics justify
- Boiler and furnace fuel switching
- Electrification of low- and medium-temperature heat loads
- Power-factor correction and demand optimization
- Refrigerant management
- Material efficiency and yield improvement
- Supplier-side interventions for key Scope 3 categories
- Green hydrogen or derivatives for selected hard-to-abate applications

Typical economics in 2026 remain favorable for no-regret measures. Motor system optimization, compressed-air leak reduction, steam-system upgrades and process controls often yield paybacks of under 3 years. Open-access RE can be immediately cash-positive in many states. Waste heat recovery economics remain site specific but can be compelling in cement, metals, glass and selected chemicals applications.

At the other end, green hydrogen remains expensive for most mainstream industrial heat applications without policy support or premium offtake, though it is strategically relevant for refineries, fertilizers and selected high-temperature processes over time. Current landed cost in India varies widely by renewable source, electrolyser utilization, water, storage and transport assumptions, but for many users it still sits above conventional fossil-based alternatives on a pure near-term operating-cost basis. That means hydrogen should often sit in the strategic wedge of the MACC rather than the immediate first-wave wedge, unless there is customer pull, subsidy support or process necessity.

## RE-led Scope 2 reduction and industrial electrification: where the numbers work now

For Indian C&I decarbonisation, Scope 2 reduction through renewable power remains the most scalable early lever. The right structure depends on load profile, state rules, contracted demand, land appetite and balance-sheet priorities.

Common pathways include:

- Rooftop solar for stable daytime demand and owned/long-lease buildings
- Group captive solar, wind or hybrid for larger loads seeking control and cost stability
- Third-party open-access PPAs for asset-light buyers
- Round-the-clock or firmed renewable structures for sectors with continuous operations
- Captive plus storage combinations for selected critical-load use cases

The economics are strongest where annual consumption is high, load factor is stable and state-level open-access charges remain manageable. However, advisory teams should be cautious with simplistic tariff comparisons. Real savings depend on:

- Banking availability and settlement period
- Cross-subsidy surcharge and additional surcharge treatment
- Wheeling and transmission charges
- CSS exemptions under captive structure where applicable
- Curtailment risk and scheduling discipline
- Time-of-day tariffs and seasonal load variation

Industrial electrification is the next step after renewable procurement, especially for low- and medium-temperature processes now served by diesel, FO, LDO or piped gas. Heat pumps, electric boilers, electric dryers, induction systems and infrared technologies are increasingly relevant in food processing, textiles, pharmaceuticals, chemicals and light manufacturing, though each needs process-specific evaluation.

A good advisory screen asks four questions:

- What is the current delivered thermal cost in Rs per MMBtu or per tonne of steam/process output?
- What is the achievable electric efficiency and capex requirement?
- Can renewable procurement or captive supply reduce the effective electricity cost for the electrified load?
- What are the uptime, retrofit and product-quality implications?

Where the answers line up, Industrial efficiency & electrification can deliver both emissions reduction and lower operating cost without waiting for breakthrough fuels.

## India CCTS, Article 6 and MRV: prepare now, monetise later

India's Carbon Credit Trading Scheme architecture is still evolving in implementation detail, but the signal is clear: emissions performance will increasingly interact with compliance frameworks, market mechanisms and tradable credit logic. Companies should not assume immediate monetisation, but they should absolutely prepare their monitoring, reporting and verification systems now.

The most common mistake is to think carbon-market readiness begins when a project developer wants to register credits. In reality, readiness starts with metering boundaries, baseline logic, calibration routines, data retention, SOPs and governance. If a company cannot reconstruct monthly energy and production data with confidence, it will struggle with any future crediting, internal carbon pricing or product-level customer disclosure.

An MRV stack fit for 2026 should include:

- Asset-level meter mapping and data ownership
- Fuel and electricity consumption linked to production lines
- Standard emissions-factor library with update controls
- Treatment rules for biomass, RECs where relevant, wheeled power and captive generation
- Version-controlled inventory calculations
- Document retention for invoices, meter logs, lab reports and calibration records
- Facility and corporate approval workflows
- Limited or reasonable assurance preparedness depending on disclosure use case

Article 6 opportunities may emerge selectively for high-integrity projects, especially where additionality and robust baseline-setting can be demonstrated. But companies should remain conservative about forward revenue assumptions. Build projects first on operational savings and strategic value; treat any future carbon-credit upside as incremental rather than core to investment approval.

This is where Carbon markets & MRV should be seen as enabling infrastructure for financeability and compliance, not just a credit-sales function.

## A 12-month action plan for Indian companies in 2026

For companies that need a practical starting point, the most effective sequence is usually the following:

- Month 1-2: establish board-level decarbonisation governance, nominate data owners and freeze organisational and operational boundaries
- Month 1-3: complete Scope 1 and 2 baseline with plant-level granularity; begin a material Scope 3 screening
- Month 2-4: conduct CBAM exposure mapping by product, plant and customer
- Month 3-5: perform data-gap assessment for BRSR Core and assurance readiness
- Month 4-6: create a MACC covering energy efficiency, RE procurement, electrification, fuel switching and selected supplier interventions
- Month 5-8: launch supplier data programme for top-emitting purchased inputs
- Month 6-9: structure open-access or captive renewable strategy state by state
- Month 6-10: identify electrification pilots with clear metering and process KPIs
- Month 8-12: design MRV architecture aligned to internal reporting, customer requests and future market participation
- Month 10-12: convert findings into a funded 3- to 7-year roadmap with target milestones, capex phasing and accountability

The companies that outperform in this cycle will not necessarily be the ones with the loudest net-zero announcements. They will be the ones that know their product carbon intensity, can defend their numbers under assurance, and can show a ranked pipeline of abatement projects with tariff-backed and process-backed economics.

For Indian manufacturers, developers, lenders and utilities, 2026 is the year decarbonisation becomes operational. The winners will integrate emissions accounting, power strategy, process engineering and finance into one decision framework.

If your organisation is building that framework now, contact Growthifye's advisory desk for support on Carbon accounting & disclosure, [RE-led decarbonisation](/coreservices/netzerodecarbonisation/releddecarbonisation), MRV design and a bankable decarbonisation roadmap.

## Explore Growthifye's related capabilities

This analysis connects directly to our advisory practice: [Carbon accounting & disclosure](/coreservices/netzerodecarbonisation/carbonaccountinganddisclosure) · [Net-zero roadmaps & MACC](/coreservices/netzerodecarbonisation/netzeroroadmapsandmacc) · [RE-led decarbonisation](/coreservices/netzerodecarbonisation/releddecarbonisation) · [Industrial efficiency & electrification](/coreservices/netzerodecarbonisation/industrialefficiencyandelectrification).

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