



India CCTS in 2026: MRV, Article 6 and Industrial Decarbonisation Strategy

By Sudarshan Karweer · 28 August 2026 · growthifye.com

A practitioner guide to India's CCTS, MRV, Article 6 and how industries can monetise decarbonisation in 2026.

India's decarbonisation agenda in 2026 is no longer only about reporting emissions or buying renewable power. For industrial energy users, RE developers, lenders and policymakers, the more strategic question is this: how do you turn verifiable emissions reduction into operational advantage, lower compliance risk and future revenue?

That is where India's Carbon Credit Trading Scheme (CCTS), Article 6 carbon market opportunities and robust MRV systems start to matter. The next phase of corporate decarbonisation will be defined by who can measure emissions credibly, identify least-cost abatement, separate inventory reductions from creditable reductions, and build projects that stand up to audit, regulators and investors.

This article takes a practitioner view of what India's emerging carbon-market architecture means in 2026, especially for hard-to-abate sectors and large commercial and industrial power consumers.

Why CCTS matters now for Indian industry

India has moved from broad climate ambition to market-linked compliance architecture. The Energy Conservation Act amendments enabled carbon trading, and the CCTS framework is shaping a domestic mechanism through which obligated entities may face emissions-intensity or sectoral compliance requirements over time. Even before full market depth develops, CCTS readiness matters for three reasons.

First, compliance economics are changing. Many industrial sites have already captured the easy wins: LED retrofits, variable frequency drives, compressed-air optimisation and some rooftop solar. The next tranche of emissions reduction will come from more capital-intensive moves such as process heat electrification, waste-heat recovery, storage-backed renewable integration, biomass substitution, green hydrogen pilots or kiln/furnace redesign. A carbon market changes the financial case for these investments by assigning value to avoided emissions, or by imposing a cost on laggards.

Second, export competitiveness is tightening. While this article is not a CBAM explainer, exporters in steel, aluminium, cement, fertilisers, chemicals and downstream manufacturing increasingly need facility-level emissions data with better assurance. Domestic MRV discipline will help Indian firms respond to foreign buyer questionnaires, product carbon footprint requests and emerging embedded-carbon rules.

Third, capital providers are moving from ESG narratives to quantified transition pathways. Lenders and infrastructure investors now want to see plant-level baselines, abatement curves, implementation sequencing and monitored outcomes. A company that can show auditable emissions data and a realistic transition plan is in a stronger position in credit, due diligence and board approvals.

In practical terms, CCTS is pushing decarbonisation from sustainability teams into mainstream finance, operations and procurement.

What companies should understand about CCTS design in 2026



The exact compliance mechanics will continue evolving by sector, but companies should already prepare for a regime that depends on three building blocks: baselines, benchmarks and MRV.

Baselines define where you start. For many industries, the first challenge is not reduction but data hygiene. Fuel consumption may sit in one system, electricity bills in another, production data in a third, and logistics or outsourced processing nowhere centralised. If those datasets do not reconcile monthly, your emissions baseline will not survive assurance.

Benchmarks or performance thresholds determine who needs to reduce more, who may generate surplus performance and how obligations may be calculated. This makes output normalisation critical. A plant cannot rely on gross annual emissions alone; it must understand emissions intensity per tonne, per unit of output, per gigajoule of useful energy or another sector-relevant metric.

MRV determines whether any claimed reduction counts. In carbon markets, poor metering destroys value. If a facility switches part of its thermal demand from furnace oil to electric heat pumps, installs captive solar with storage, or replaces grey hydrogen with renewable hydrogen, the reduction must be measured with a defined methodology, a credible baseline and documented operating conditions.

For Indian manufacturers, this means 2026 is the year to create a plant-by-plant decarbonisation data stack, not just an annual disclosure file.

A practical readiness checklist includes:

- Monthly fuel, power and production data at site level
- Metering boundaries for each major energy-consuming process
- Consistent emission factors with version control
- Clear treatment of captive generation, open-access RE and renewable energy certificates where applicable
- Equipment-level run hours for major thermal and electrical loads
- Documentation of process changes, shutdowns and expansions
- Internal approval trails for data changes and recalculations
- Third-party assurance readiness for both emissions and activity data

Companies that build this now will move faster when sector-specific CCTS obligations sharpen.

MRV is the real moat: from compliance burden to value creation

Most firms underestimate MRV because they treat it as an after-the-fact reporting exercise. In reality, MRV is what determines whether a decarbonisation project can be financed, counted toward targets, monetised in markets or accepted by counterparties.

A useful rule is simple: if you cannot meter it, model it transparently and verify it, do not assume it will create tradable or financeable carbon value.

Take a few common Indian industrial examples.

A ceramics or textile unit shifting from grid power to group-captive solar and wind may reduce Scope 2 emissions materially. But if the open-access supply profile, scheduling losses, banking treatment and residual grid draw are not tracked properly, the avoided-emissions claim may be overstated.



A food-processing plant switching diesel boilers to biomass may show lower fossil emissions, but without robust data on biomass source, moisture content, calorific value and seasonal substitution rates, the actual reduction may vary sharply.

A steel or chemicals plant piloting green hydrogen blending may publicise decarbonisation benefits, yet without hourly power traceability, electrolyser efficiency records, compression losses and substitution accounting, the emissions outcome can be hard to defend.

That is why MRV must be designed together with engineering and commercial structuring. This is also where specialist advisory support matters. Growthifye's [Carbon accounting & disclosure](/coreservices/netzerodecarbonisation/carbonaccountinganddisclosure) and Carbon markets & MRV capabilities sit at the intersection of emissions quantification, project design and assurance-ready documentation.

For lenders, better MRV reduces model risk. For developers, it improves bankability and off-taker confidence. For industrials, it prevents expensive misstatements and helps prioritise projects that produce durable emissions outcomes.

How Article 6 could matter for Indian project developers and corporates

Article 6 of the Paris Agreement is still often discussed in abstract terms, but for Indian market participants the commercial implications are becoming more concrete. In simple terms, Article 6 can enable cross-border cooperation around emissions reductions, including internationally transferred mitigation outcomes, subject to host-country rules, integrity requirements and corresponding adjustments where relevant.

Why does this matter in India?

Because some decarbonisation projects may become more viable if they can access premium demand for high-integrity credits or outcomes from overseas buyers, especially where domestic carbon prices are initially shallow or compliance demand is narrow. This will not apply to every project, and not every emissions reduction should be exported. But for certain categories, Article 6-linked opportunities may improve economics.

Potential candidate areas could include:

- Industrial methane reduction with strong metering and additionality
- High-integrity waste heat recovery or process-efficiency projects beyond business-as-usual
- Certain green hydrogen or fuel-switching pilots in hard-to-abate sectors
- Methanol, ammonia or other low-carbon molecule pathways where emissions accounting is robust
- Distributed energy or mini-grid applications with clear baseline displacement in specific contexts

However, Indian companies should avoid assuming that every renewable or efficiency project will automatically command carbon-market premiums. Market appetite is increasingly selective. Buyers want strong additionality, transparent baselines, low reversal risk and clear host-country authorisation pathways.

The strategic takeaway is this: build a screening framework now. For every major decarbonisation capex proposal, ask four questions.

- Is this reduction needed primarily for internal target achievement, compliance or customer requirements?



- Could the same reduction also be eligible for domestic carbon-market value under CCTS or future linked mechanisms?
- Does exporting the mitigation value create any conflict with corporate claims, customer claims or national accounting rules?
- What incremental MRV and legal structuring would be required to preserve optionality for Article 6?

This is not just a sustainability decision. It is a portfolio strategy decision.

Decarbonisation economics: use MACC, but make it India-specific

Many firms say they have a marginal abatement cost curve, but in practice they often have only a slide deck with generic assumptions. A usable 2026 MACC for India must reflect state tariffs, fuel-price volatility, open-access charges, operating constraints and realistic implementation schedules.

For example, industrial grid tariffs can still range widely by state and consumer category, often from roughly Rs 6.5 to above Rs 9 per kWh on an effective basis once demand charges, surcharges and other components are considered. Open-access renewable supply in strong markets may land around Rs 4 to Rs 6 per kWh depending on state, profile, contract tenor and balancing requirements. Natural gas economics remain sensitive to global price swings and domestic allocation realities. Biomass prices vary by region and season. Battery storage economics are improving, but dispatch value depends on load shape and tariff structure.

A credible MACC should therefore classify options not only by rupees per tonne of CO₂e avoided, but also by execution complexity and MRV confidence.

A practical industrial decarbonisation stack often looks like this:

- Negative or low-cost measures: motor systems, compressed air, steam optimisation, heat recovery, power-factor management
- Medium-cost measures: open-access renewable procurement, captive RE, thermal-system upgrades, selected electrification, process controls
- Higher-cost but strategic measures: deep process redesign, electric boilers in suitable applications, thermal storage, hydrogen pilots, feedstock shifts, carbon capture in niche cases

What changes in a carbon-market context is the ranking. A measure that looks borderline on pure energy savings may become attractive once future carbon cost avoidance, supply-chain expectations and marketable emissions reductions are considered.

This is where Growthifye's [Net-zero roadmaps & MACC](/coreservices/netzerodecarbonisation/netzeroroadmapsandmacc) and [RE-led decarbonisation](/coreservices/netzerodecarbonisation/releddecarbonisation) capabilities become especially relevant: not every tonne is equal, and not every project should be done first.

Which sectors should move first

Not all sectors face the same urgency, but some are clearly more exposed in 2026.

Steel, cement and aluminium remain central due to direct process emissions, high thermal demand and export scrutiny. Fertilisers and chemicals face both feedstock and energy-transition challenges, with hydrogen playing an increasingly important role. Textiles, pharma, food processing, auto components and engineering goods may have lower direct emissions intensity in some cases, but they face growing buyer pressure on product-level and supplier-level emissions.



Commercial and industrial electricity consumers with large daytime loads are still among the fastest movers because Scope 2 reduction via renewable procurement, storage and demand shaping can deliver visible gains relatively quickly. But even here, companies should not stop at annual renewable-energy percentages. The direction of travel is toward temporal matching, load flexibility and cleaner thermal energy.

Utilities and discoms also have a stake. As more C&I consumers decarbonise, load patterns, cross-subsidy dynamics and network usage economics will shift. Policymakers should therefore view carbon-market and decarbonisation design together with power-market reform, open-access implementation and industrial competitiveness.

What boards, lenders and policymakers should do in the next 12 months

For boards and CXOs:

- Require one reconciled emissions baseline across finance, operations and sustainability
- Review the top 10 abatement projects with plant-level MRV plans before sanction
- Distinguish inventory reductions from potentially creditable reductions
- Create an internal carbon-governance protocol for claims, offsets and market participation

For lenders and investors:

- Ask for site-level energy and emissions data, not just corporate aggregates
- Stress-test project IRRs against carbon-price scenarios, tariff changes and fuel risks
- Evaluate MRV quality as part of technical due diligence
- Prioritise sectors and sponsors with clear implementation capability, not only ambitious targets

For policymakers and regulators:

- Provide methodological clarity early, especially on boundaries, baselines and verification expectations
- Minimise double counting and claim ambiguity across domestic and cross-border mechanisms
- Align industrial decarbonisation policy with electricity-market realities, especially open access and banking
- Encourage digital MRV infrastructure and standardised data protocols to reduce transaction costs

The winners in India's next decarbonisation phase will not simply be the firms with the best climate language. They will be the ones that can link engineering, tariff economics, compliance design and verifiable carbon outcomes.

The bottom line

In 2026, India's decarbonisation market is becoming operational. CCTS, Article 6 and tighter MRV expectations are turning carbon from a reporting topic into a managed business variable. For industrial companies, this creates both risk and opportunity: risk if data is weak and strategy is reactive; opportunity if abatement is prioritised intelligently and structured for future market value.

The immediate task is straightforward. Build auditable baselines. Develop an India-specific MACC. Screen projects for compliance, competitiveness and carbon-market optionality. And treat MRV as core infrastructure, not back-office paperwork.

If your organisation is preparing for CCTS readiness, Article 6 positioning or a verifiable industrial decarbonisation pipeline, contact Growthifye's advisory desk to discuss a practical roadmap tailored to your



assets, sector and policy exposure.

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).

ABOUT THE AUTHOR

Sudarshan Karweer — Chief Executive Officer, Growthifye

Over 23 years in management consulting — concept to scale — building and scaling new-age digital and energy businesses. An EY alumnus, Sudarshan leads Growthifye's renewable energy & storage advisory, EPC, transmission engineering and green-financing practices for developers, utilities and C&I consumers across India.
Contact: info@growthifye.com · +91 84510 99371 · growthifye.com

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