

THE GREEN CLOCK

ESG MATTERS

MONTHLY NEWSLETTER

**June- July 2026
Volume 3, Issue 06**

THIS MONTH: India's ESG regulatory architecture is moving from ambition to enforcement. Delhi's EV policy sets hard electrification deadlines and cash scrappage incentives; Chhattisgarh is monetising agricultural waste through a compressed biogas policy; and the Centre has brought 255 steel units into its carbon market. Alongside sit a plastics crackdown in Ladakh, an industrial land clean-up in Hyderabad, new construction standards for battery storage, and green hydrogen's emission-accounting rulebook. Globally, the European Union has strengthened circularity requirements for the automotive sector, while South Korea has significantly expanded mandatory sustainability reporting, signalling continued momentum towards greater transparency, accountability and ESG disclosure.

In this Edition

1	COVER STORY	Delhi Electric Vehicle Policy 2026: A Four-Year Deadline for Clean Mobility
2	POLICY WATCH	Chhattisgarh's Compressed Biogas Policy: Turning Farm Waste into Fuel
3	POLICY WATCH	255 Steel Units Enter India's Carbon Market Under Draft CCTS Targets
4	DATA SPOTLIGHT	India's Sustainability Transition by the Numbers
5	REGULATORY ROUND-UP	Strengthening ESG Implementation: Green Hydrogen, Battery Storage, Plastics and Industrial Transition
6	GLOBAL LENS	EU Locks in Vehicle Circularity Rules; South Korea Expands Mandatory Sustainability Reporting
7	VeK PERSPECTIVE	From Targets to Traceability: The Shift Underlying ESG Rulemaking

Editor's Note

Dear Readers,

Welcome to the Sixth edition of Vol. 3 of our newsletter, The Green Clock: ESG Matters, June-July 2026.

Environmental policy is entering a new phase. For much of the past decade, regulatory attention centred on announcing ambitious climate and sustainability targets. Increasingly, however, the focus is shifting towards the institutional frameworks needed to implement them. Across sectors, policymakers are introducing measurable standards, strengthening enforcement mechanisms, defining compliance methodologies and establishing clearer lines of accountability. Together, these developments reflect a broader transition from policy intent to policy execution.

This edition examines that transition through recent regulatory developments across clean mobility, carbon markets, renewable energy, circular economy and industrial sustainability. While the policies differ in scope and sector, they point to a common direction: environmental governance is becoming more data-driven, implementation-oriented and institutionally anchored. For businesses, this means that competitive advantage will increasingly depend not only on understanding new regulations but also on anticipating how compliance expectations are likely to evolve. We hope this edition offers valuable insights into the changing ESG policy landscape.

Regards,
[Abhilasha Nayal]

★ COVER STORY

Delhi Electric Vehicle Policy 2026: A Four-Year Deadline for Clean Mobility

Vehicular emissions are the largest contributor to Delhi NCR's air pollution, accounting for 23% during the winter period.

— Commission for Air Quality Management (CAQM) report cited in the Delhi EV Policy 2026

The Transport Department, Government of NCT of Delhi, notified the Delhi Electric Vehicles Policy 2026 in the Delhi Gazette (Extraordinary) on 30 June 2026, following Cabinet approval on 29 June 2026 (Decision No. 3349). The policy takes effect from 1 July 2026 and will remain in force till 31 March 2030—a successor to Delhi's original 2020 EV policy, built this time around firm registration deadlines rather than incentives alone.

A Policy Anchored in Deadlines, Not Just Subsidies

Where the 2020 policy leaned almost entirely on purchase incentives, the 2026 version pairs incentives with electrification mandates. From 1 January 2027, only electric three-wheelers and electric N1 goods carriers may be newly registered in Delhi. From 1 April 2028, only electric two-wheelers may be newly registered—significant given that two-wheelers make up roughly 67% of Delhi's total vehicle stock. School bus fleets must hit 10% electric share within two years of notification, 20% within three years, and 30% by 31 March 2030. Fleet aggregators and delivery providers are barred from inducting new diesel- or petrol-only LCVs and two-wheelers from 1 January 2026 (with a narrow BS-VI two-wheeler window till end-2026), and government fleets—buses, N1/N2/N3 trucks, M2/M3 passenger vehicles—must go fully electric from notification.



The Incentive Stack

Two-wheelers priced up to ₹2.25 lakh ex-showroom qualify for ₹10,000/kWh (capped at ₹30,000) in year one, tapering to ₹6,600/kWh and ₹3,300/kWh in years two and three. Electric autos (L5M) get flat incentives of ₹50,000, ₹40,000 and ₹30,000 across the same three years, with no support below 4 kWh battery capacity. N1 goods carriers receive tiered incentives by gross vehicle weight. A parallel scrapping incentive rewards exit of old BS-IV-and-below vehicles—up to ₹1 lakh for scrapping a car and buying a new EV, capped at the first 1,00,000 applicants and an ex-showroom ceiling of ₹30 lakh on the new vehicle. All EVs purchased and registered in Delhi get lifetime 100% road tax and registration fee exemption, and the first 1,000 private electric N2 trucks get a 10-year exemption from Delhi's no-entry timing restrictions.

Charging Infrastructure and Institutional Backbone

Delhi Transco Limited (DTL) is designated as the nodal agency for public charging and battery-swapping infrastructure, tasked with demand aggregation, siting, grid-readiness planning and a single-window clearance facility for operators. A High-Powered Committee under the Chief Secretary will coordinate across Transport, Power, Planning, Environment and Finance, while a dedicated EV Fund-drawing on state budgetary allocations, the Air Ambience Fund, Environment Compensation Charge and PM E-DRIVE support-will finance implementation. OEMs operating in Delhi must ensure at least one public charging station per dealership, and battery recycling will run through DPCC-notified collection centres under the Battery Waste Management Rules, 2022, with Extended Producer Responsibility reporting obligations on manufacturers.

POLICY IMPLICATIONS	
For Policymakers The policy sets hard registration deadlines rather than aspirational targets, which shifts the Transport Department's job from demand-generation to enforcement readiness. With no digital portal yet described beyond "a mechanism to be notified," and operational guidelines for subsidy disbursal still pending, the real test of Year One is whether the EV Cell, the EV Fund and DTL's charging-infrastructure buildout are operational before the first electrification mandate (L5/N1) lands on 1 January 2027.	For Industry Two-wheeler and three-wheeler OEMs, fleet aggregators and last-mile delivery players face the most immediate compliance pressure, given the 2026 fleet-induction cutoff for aggregators and the 2028 two-wheeler registration mandate. Charging and swapping operators gain a genuine single-window pathway through DTL, though incentive disbursal timelines (30 days to apply, 60 days to pay) will be closely watched given past subsidy delays under Delhi's earlier EV policy.
The VeK View: Delhi's EV Policy 2.0 trades the softer, incentive-only approach of 2020 for binding deadlines—a bet that mandates succeed where subsidies alone did not. That bet now rests on execution: DTL's infrastructure rollout, the EV Cell's staffing, and whether OEMs can meet Delhi's affordability expectations at scale before the 2027 and 2028 cutoffs arrive.	

◆ POLICY WATCH

Chhattisgarh's Compressed Biogas Policy: Turning Farm Waste into Fuel

The Chhattisgarh Cabinet, chaired by Chief Minister Vishnu Deo Sai, approved the Chhattisgarh Compressed Biogas (CG-CBG) Policy 2026 on 23 June 2026, under the state's Anjor Vision 2047 framework. The policy is designed to scientifically convert agricultural residue, cattle dung, livestock waste and municipal organic waste into compressed biogas (CBG)-a fuel that can substitute fossil fuels in transport and industry.

The Opportunity: Waste as Rural Income

The state government estimates Chhattisgarh has the potential to produce nearly 5 lakh tonnes of CBG annually from available biomass and organic waste. A more near-term target-1.65 lakh metric tonnes of CBG per year-is projected to save the state roughly ₹1,188 crore in foreign exchange while creating new income streams for farmers and cattle rearers through the sale of agricultural residue and organic waste. The Chief Minister has framed the policy as a way to position Chhattisgarh among India's leading states in clean energy, green industry and organic agriculture.

Financing and Implementation



The policy aligns with the Government of India's Sustainable Alternative Towards Affordable Transportation (SATAT) initiative, which promotes CBG as a transport fuel. To attract investment, it offers capital support, interest subsidies, infrastructure assistance and facilitation for statutory approvals, with the financial burden shared between the Centre and the state in a 60:40 ratio; Chhattisgarh has earmarked ₹4,000 crore for the scheme in 2026-27. The Chhattisgarh Biofuel Development Authority (CBDA) has been designated the nodal implementation agency, coordinating with industries, investors and government departments.

Early Traction

CBG plant development is already underway in eight districts-Bhilai, Raipur, Bilaspur, Rajnandgaon, Dhamtari, Ambikapur, Raigarh and Korba-with capital investment from Bharat Petroleum Corporation Limited (BPCL) and GAIL India Limited, and land already allotted for these projects. CBDA officials report investment proposals of approximately ₹3,600 crore from private investors and enterprises in the CBG sector.

POLICY IMPLICATIONS	
For Policymakers The policy gives Chhattisgarh a template for treating agricultural and livestock waste as an economic asset rather than a disposal problem, with the CBDA's single-agency mandate reducing the coordination overhead that has slowed similar waste-to-energy efforts elsewhere. Whether the state can convert ₹3,600 crore of investment interest into commissioned capacity will depend on execution speed on land allotment, feedstock aggregation logistics, and approval turnaround under the new facilitation measures.	For Industry For CBG developers, PSU offtake partners (BPCL, GAIL) and equipment suppliers, Chhattisgarh offers a relatively de-risked entry point given the Centre-state cost-sharing and the SATAT alignment that guarantees a natural gas grid offtake pathway. Feedstock aggregation-particularly logistics for transporting agricultural residue to plants-remains the practical bottleneck industry observers are watching.
The VeK View: Chhattisgarh's CBG policy is a bet that rural waste streams can be formalised into an investable asset class, and the early PSU capital commitments suggest genuine developer confidence. The state's long-term credibility on this front will depend on translating land allotments and investment proposals into commissioned plants within the six-pillar framework it has set out, rather than on the policy announcement alone.	

◆ POLICY WATCH

255 Steel Units Enter India's Carbon Market Under Draft CCTS Targets

The Ministry of Environment, Forest and Climate Change (MoEFCC) issued a revised draft notification on 26 June 2026 (made public 2 July 2026) proposing greenhouse gas emission-intensity (GEI) targets for 255 iron and steel units under India's Carbon Credit Trading Scheme (CCTS), 2023. The draft, covering steel plants, sponge iron units and ferro-alloy manufacturers, invites stakeholder objections and suggestions within 60 days.

Who's Covered, and What Changed

The units named include major integrated producers-JSW Steel, Tata Steel, Steel Authority of India (SAIL), ArcelorMittal Nippon Steel India, Rashtriya Ispat Nigam (RINL) and Jindal Steel & Power, among others-together accounting for an estimated 358.6 MtCO₂e of emissions. This is the second draft for the sector: the first was released in June 2025 alongside targets for aluminium, petroleum refining, petrochemicals and textiles. Those four sectors received final notification in January 2026; iron and steel did not, and has now returned with a revised draft carrying unexplained “marginal changes.”

How the Targets Work



The draft uses 2023-24 as the baseline year for product output and emission intensity, and sets the compliance target for 2026-27 only-the 2025-26 column is left blank, signalling a phased entry that effectively skips the scheme's first compliance year for this sector. Targets are expressed in tonnes of CO₂-equivalent (tCO₂e) per tonne of equivalent product. Under CCTS mechanics, units that outperform their assigned intensity target earn tradable Carbon Credit Certificates; units that miss their target pay Environmental Compensation equal to twice the average

certificate price. The move supports the Ministry of Steel's own goal of 2.2 tCO₂ per tonne of crude steel by 2030 and India's Nationally Determined Contribution commitments on GDP emissions intensity.

POLICY IMPLICATIONS

For Policymakers

MoEFCC's decision to reissue rather than simply finalise the iron and steel targets-unlike the four sectors notified together in January-suggests unresolved calibration questions, possibly linked to the sector's technological heterogeneity (blast furnace-BOF, coal-based DRI and gas-based DRI routes each have very different baseline emission profiles). The 60-day comment window is an opportunity for the ministry to address these before final notification.

For Industry

For the 255 named units, this draft is the clearest signal yet that compliance obligations begin in FY27, giving roughly nine months of visibility before the compliance year starts. Producers with older, less efficient furnace technology face the steepest adjustment; those already investing in efficiency upgrades or green steel routes stand to become net sellers of carbon credit certificates rather than payers of environmental compensation.

The VeK View: Bringing India's second-largest steel-producing sector into a mandatory, unit-level carbon market is a structurally significant move-but the repeated drafting delays for this sector alone suggest the ministry is still working through how to fairly calibrate targets across a technologically fragmented industry. How the final rules treat this heterogeneity will determine whether CCTS drives real decarbonisation investment or simply becomes a compliance cost absorbed without changing capital allocation.

▲ DATA SPOTLIGHT

India's Sustainability Transition by the Numbers

INDICATOR	FIGURE	SOURCE / NOTE
Installed Renewable Energy Capacity (June 2026)	288.6 GW	Ministry of New and Renewable Energy (MNRE). Solar contributes 162.15 GW, accounting for 56.2% of India's total renewable energy capacity.
Battery Energy Storage Requirement	236 GWh BESS requirement by 2031–32	CEA National Electricity Plan. Estimated storage requirement to support renewable energy integration and grid reliability
National Green Hydrogen Mission Target	5 MMT annual production by 2030	MNRE – National Green Hydrogen Mission
Delhi EV Policy Target	32,000 public charging points by 2030	Government of NCT of Delhi. The policy also introduces phased electrification deadlines for vehicle registrations across multiple segments

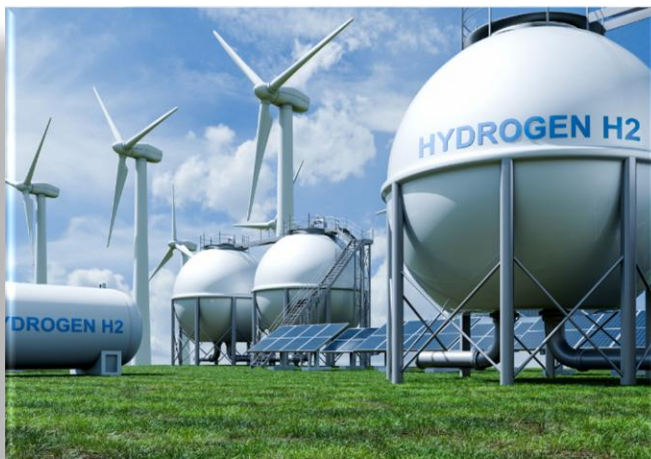
The indicators presented above reflect the scale of India's transition towards a low-carbon economy. Rapid expansion of renewable energy capacity, growing investment in battery storage infrastructure, the National Green Hydrogen Mission and accelerated electric mobility initiatives together illustrate a shift from capacity addition to building the infrastructure and regulatory systems needed to support long-term decarbonisation. Taken together, these developments demonstrate how India's environmental policies are increasingly focused on enabling implementation, improving energy security and strengthening climate resilience.

● REGULATORY ROUND-UP

Green Hydrogen's New Rulebook, Battery Storage Standards, Ladakh's Plastics Crackdown, and Hyderabad's Industrial Transition

MNRE Issues Water-Emission Accounting Rules for Green Hydrogen

MNRE issued final guidelines on 18 June 2026 for quantifying greenhouse gas emissions from offsite water drawal and treatment under the Green Hydrogen Certification Scheme of India (GHCI), aligning with ISO 19870:2023. The rules define five sourcing scenarios-from captive offsite treatment facilities to municipal supply, shared infrastructure, treated wastewater and hybrid systems-each with its own emission-accounting methodology, and set benchmark emission factors (for example, 0.603 kgCO₂e/m³ for municipal water and 3.017 kgCO₂e/m³ for seawater desalination). The rules maintain a strict “Well-to-Gate” boundary and will be reviewed every three years as India-specific operating data accumulates.



CEA Notifies Construction Standards for Battery Energy Storage Systems

The Central Electricity Authority notified the CEA (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2026 in April 2026, inserting a dedicated new chapter covering solar, floating solar,



onshore and offshore wind, and-for the first time in Indian construction regulation-battery energy storage systems (BESS). The rules introduce formal definitions for BESS components and operating parameters (state of charge, state of health, c-rate, depth of discharge, cycle) and set baseline technical, operational and safety requirements across regulations 142 to 153. Renewable energy plants above 10 MW must install automatic weather stations, power plant controllers, segregated communication systems and power-quality meters; BESS installations of 50 MW and above face additional requirements, including automated dispatch capability.

The standards take effect from 1 April 2027, giving developers roughly a year to align ongoing and upcoming projects.

Ladakh Bans Single-Use Plastics and Littering

Lieutenant Governor Vinai Kumar Saxena ordered a strict ban on identified single-use plastic items- cutlery, cups, plates, straws, thermocol decorations, plastic banners below prescribed thickness-and on littering across the Union Territory in mid-June 2026. Violations attract an environmental penalty of ₹10,000, and littering a separate ₹5,000 fine. For the first time, a broad network of field officers-Sub-Divisional Magistrates, Tehsildars, Executive Magistrates, Ladakh Pollution Control Committee officials, Tourism Department staff, Municipal officers, Forest Department personnel and an Environment Protection Force-has been empowered to



inspect, issue challans and recover penalties, with videography, photography and CCTV footage admissible as evidence. Random checks are being conducted at Leh Airport and entry points to prevent inflow of banned items. The order is aimed squarely at preserving Ladakh's high-altitude wetlands and glaciers as tourist footfall rises.

Telangana Operationalises Hyderabad's Industrial Land Transformation Policy

Telangana's IT and Industries Minister D. Sridhar Babu formally launched the HILTP portal on 23 May 2026, following detailed operational guidelines issued through GO Ms No. 18 (22 May 2026) and GO 81. The policy, first introduced in November 2025, facilitates relocation of polluting and ageing industries out of 21 industrial parks and standalone units within Hyderabad's Core Urban Region, converting the vacated land into commercial and mixed-use development. The Telangana Industrial Infrastructure Corporation (TGIIC) is the nodal agency; applicants face a 10% upfront Development Impact Fee, with existing sub-registrar office market rates locked in for applications filed by 30 June 2026. A dedicated grievance portal and helpline support the transition.

Why It Matters

Taken together, these developments illustrate the next phase of India's environmental governance- one that is increasingly focused on the institutional architecture needed to implement climate and sustainability commitments. The Green Hydrogen guidelines establish a common methodology for measuring emissions across production pathways. At the same time, the CEA's Battery Energy Storage standards introduce technology-specific construction and operational requirements for a rapidly expanding segment of the power system. Ladakh's strengthened enforcement mechanism shifts plastics regulation from prohibition to implementation, and Telangana's industrial land transformation framework integrates environmental remediation with sustainable urban redevelopment. Collectively, these measures demonstrate that India's ESG agenda is evolving beyond policy announcements towards building measurable, enforceable and implementation-ready regulatory systems capable of supporting long-term decarbonisation and sustainable industrial development.

GLOBAL LENS

EU Locks in Vehicle Circularity Rules; South Korea Expands Mandatory Sustainability Reporting

EU Approves Circularity Rules for the Car Sector

The Council of the European Union has formally adopted a regulation setting circularity requirements across the full vehicle lifecycle—design, production, reuse, recycling, recovery and end-of-life treatment—replacing two earlier directives with a single framework. New vehicles must be designed for easy removal of parts by authorised treatment facilities, and automakers must use a minimum of 15% recycled plastic in new vehicles within six years of the rules' entry into force, rising to 25% within ten years; a fifth of that recycled content must come specifically from end-of-life vehicles rather than any recycled feedstock (a “closed loop” requirement). The regulation also bans the export of non-roadworthy used vehicles and places automakers under extended producer responsibility, making them financially and organisationally responsible for free take-back and proper treatment of every end-of-life vehicle. The rules apply in full to passenger cars and light commercial vans, with a more limited regime for heavy trucks, motorcycles and special-purpose vehicles.

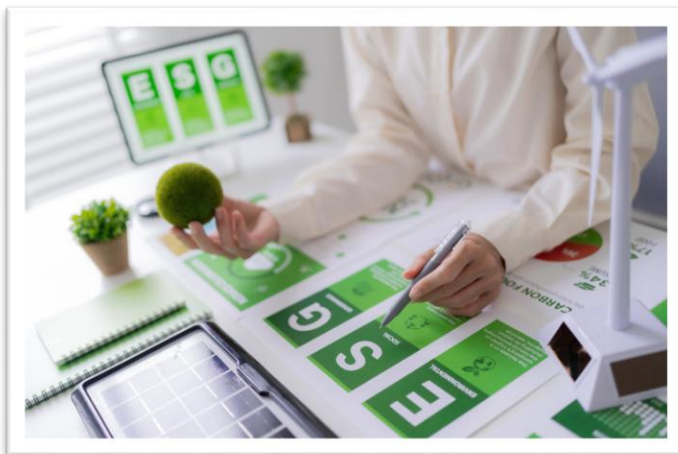


Why It Matters for India

India's automotive sector, already navigating its own Vehicle Scrappage Policy and Extended Producer Responsibility rules for battery waste, will feel this indirectly but materially. Indian component and auto-parts exporters selling into the EU will need to demonstrate recycled-content compliance and material traceability to remain in EU supply chains, and the EU's closed-loop requirement (content sourced specifically from end-of-life vehicles) sets a design-for-recyclability bar that Indian OEMs eyeing export markets or global platforms will increasingly need to match.

South Korea Expands Mandatory Sustainability Reporting

South Korea's Financial Services Commission (FSC) has released its final roadmap for mandatory sustainability disclosures, significantly expanding the scope of companies required to report under ISSB-aligned standards. Under the revised roadmap, listed companies with assets exceeding KRW 10 trillion will begin mandatory sustainability reporting in 2028, with the threshold reducing to KRW 5 trillion from 2029.



Following a review of implementation, authorities will consider extending the requirements to companies with assets above KRW 2 trillion from 2030. The revised approach substantially broadens the regime, increasing the number of companies covered from only a handful under the original proposal to more than 290 companies in 2028 and over 3,100 companies by 2029.

The roadmap is based on sustainability disclosure standards issued by the Korea Sustainability Standards Board (KSSB), which are closely aligned with the International Sustainability Standards Board's (ISSB) IFRS S1 and IFRS S2 standards. To facilitate implementation, South Korea has introduced transitional measures, including a three-year deferral of Scope 3 greenhouse gas disclosures, phased third-party assurance from 2030 and temporary relief from administrative penalties for good-faith reporting while maintaining strict action against intentional greenwashing. Companies not immediately covered will also be encouraged to report voluntarily through an enhanced disclosure platform operated by the Korea Exchange.

Why It Matters for India

South Korea's roadmap reflects a broader international trend towards mandatory sustainability disclosures aligned with globally recognised reporting standards. As more jurisdictions adopt ISSB-based reporting frameworks, multinational companies and exporters operating across global value chains are likely to encounter increasing expectations around consistent sustainability data, climate-related disclosures and third-party assurance. For India, where sustainability reporting requirements continue to evolve through the Business Responsibility and Sustainability Reporting (BRSR) framework, developments in South Korea provide an important reference point for the future direction of ESG disclosure, regulatory preparedness and corporate reporting practices.

The VeK View

While addressing different aspects of sustainability, both developments underscore a common direction in global ESG regulation. The European Union's circularity framework strengthens product lifecycle responsibility and resource efficiency, while South Korea's expanded sustainability reporting roadmap reinforces the growing importance of standardised ESG disclosures aligned with international reporting frameworks. Together, these developments suggest that sustainability governance is increasingly shaped by measurable standards, greater transparency and enhanced accountability across both environmental performance and corporate reporting.

VeK PERSPECTIVE

From Targets to Traceability: The Shift Underlying India's ESG Rulemaking

The Shift

Viewed individually, the developments featured in this edition represent policy actions across diverse sectors, including clean mobility, renewable energy, industrial decarbonisation and environmental protection. Considered together, however, they indicate an increasing emphasis on strengthening the institutional and regulatory frameworks that support environmental governance. Alongside setting policy objectives, governments are introducing implementation mechanisms, technical standards and compliance processes that seek to translate policy intent into measurable outcomes.

This trend is reflected across both national and state-level initiatives. The Delhi Electric Vehicle Policy 2026 combines incentives with phased electrification timelines and institutional arrangements for implementation, while Chhattisgarh's Compressed Biogas Policy establishes a structured framework for converting agricultural and organic waste into a clean energy resource. The proposed expansion of the Carbon Credit Trading Scheme introduces emission-intensity targets for iron and steel units, and complementary regulatory measures—including technical standards for Battery Energy Storage Systems, greenhouse gas accounting methodologies for green hydrogen, strengthened enforcement against single-use plastics in Ladakh and Telangana's industrial land transformation framework—illustrate the growing role of technical guidance, monitoring and institutional capacity in environmental regulation. Internationally, developments such as the European Union's vehicle circularity regulation and South Korea's expansion of mandatory sustainability reporting requirements similarly reflect growing emphasis on product stewardship, transparency and globally aligned ESG governance.

Taken together, these developments suggest that ESG regulation is evolving beyond the announcement of policy objectives towards greater emphasis on implementation, measurement and accountability. As India advances initiatives related to carbon markets, clean energy, circular economy and sustainable mobility, businesses and policymakers will increasingly need to focus not only on understanding new regulatory requirements but also on strengthening the systems, institutions and capabilities needed to support effective compliance and long-term implementation.

The actionable question for policymakers and industry leaders: As India's ESG regulatory landscape continues to mature, what approaches will be most effective in supporting transparent implementation, credible compliance and long-term sustainability outcomes?



VeK is a policy advisory and research firm, distinguished by its data-driven approach to analyse policy and regulatory developments in India and globally. For Further Information, please contact: Abhilasha Nayal, Senior Researcher at +91 98701 43357 or email at abhilasha@vekpolicy.com



Disclaimer: The Green Clock: ESG Matters is a monthly Newsletter published by VeK. The information and opinions contained in this Newsletter have been compiled from sources believed to be reliable and in good faith. While all efforts have been made to compile accurate information, VeK or its employees, affiliates, shall not be in any way responsible for any damage that may arise to any person from any inadvertent error in the information or omissions contained in the Newsletter.