

SONALIKA TRACTORS RETAINS EU MARKET SHARE WITH TIMELY CBAM COMPLIANCE

SONALIKA
HEAVY DUTY TRACTOR RANGE



Cleancarbon.ai



Case Study



Client Overview

Sonalika Tractors, India's leading tractor export brand and the world's third-largest tractor manufacturer, produces a diverse range of heavy-duty tractors (20-120 HP) and agricultural implements at their state-of-the-art facility in Hoshiarpur, Punjab. Trusted by over 17 lakh farmers across 150 countries, Sonalika is the top tractor brand in markets like Finland, Portugal, and Algeria. With exports to the EU, their tractors and implements, which rely on CBAM-regulated steel, faced stringent emissions reporting requirements under the EU's Carbon Border Adjustment Mechanism (CBAM). To uphold their commitment to innovation and sustainability, Sonalika partnered with CleanCarbon.ai to achieve seamless CBAM compliance.



Business Challenges

1. **Supplier Data Coordination:** Managing emissions data for steel components across a vast supply chain was complex, requiring coordination with multiple suppliers for parts descriptions, HSN codes, and quantities.
2. **Building Supplier Trust:** Convincing suppliers to share Scope 1, 2, and 3 emissions data was challenging due to unfamiliarity with CBAM processes.
3. **Streamlined Data Input:** Suppliers needed an efficient, user-friendly system to submit data without disrupting their workflows.
4. **High Report Volume:** The diversity of tractor models and implements generated a heavy reporting workload, risking inefficiencies.
5. **Timely Compliance:** Submitting EU-compliant reports on time was critical to avoid penalties and maintain EU market access.
6. **Accurate Carbon Tax Calculations:** Precise emissions data was essential to manage CBAM's carbon tax obligations effectively.



Solutions Provided by Cleancarbon.ai

CleanCarbon.ai delivered a customized CBAM compliance solution to support Sonalika's global export operations:

- **Supplier Engagement and Training:** CleanCarbon.ai provided tailored CBAM tool demonstrations to educate suppliers, fostering trust and enabling seamless data sharing for steel components.
- **User-Friendly Data Tools:** Deployed intuitive platforms integrated with Sonalika's systems, allowing suppliers to input emissions data quickly and securely.
- **Automated Report Generation:** ERP-integrated automation consolidated data and produced EU-compliant XML and Excel reports, reducing reporting complexity.
- **Real-Time Emissions Monitoring:** Offered dashboards for instant insights into emissions across Sonalika's supply chain, aligning with their TREM Stage IV compliance ethos.
- **Audit and Tax Preparedness:** Provided on-field support for EU audits and validated reports to ensure accurate carbon tax calculations, with GDPR-compliant data security.

Implementation

Over three months, CleanCarbon.ai rolled out the solution in phases. Phase one integrated automated emissions tracking with Sonalika's ERP systems, mapping steel components across their tractor and implement range. Phase two involved supplier workshops and CBAM tool demos to streamline data collection. Phase three delivered validated reports for EU submission, with dashboards providing ongoing visibility. Continuous support ensured compliance despite supplier variability, aligning with Sonalika's farmer-centric mission.





Result

- **Effective Supplier Collaboration:** Achieved high supplier participation through engaging demos, ensuring complete emissions data collection.
- **Cost Reduction:** Slashed CBAM reporting costs by 38% via automation, preserving resources for innovation.
- **Timely Reporting:** Secured 100% on-time report submissions, avoiding penalties and ensuring uninterrupted EU exports.
- **Simplified Reporting:** Reduced reporting workload by 40%, handling diverse tractor models efficiently.
- **Carbon Tax Precision:** Delivered accurate emissions data for correct carbon tax assessments, supporting cost management.
- **Audit Excellence:** Passed EU audits flawlessly, with validated reports and GDPR-compliant processes reinforcing Sonalika's global reputation.

Client Testimonial

“The main challenge was collecting data from over 100 suppliers with unique issues, many of whom were unfamiliar with CBAM and lacked proper data systems. Cleancarbon.ai streamlined data collection, educated stakeholders, and automated reporting, ensuring accurate emissions submissions. Their support has improved regulatory confidence, operational efficiency, and commitment to serving OEMs globally.”



Sonalika Tractors

Representative

Conclusion

With CleanCarbon.ai's expertise, Sonalika Tractors turned CBAM compliance into an opportunity to strengthen their global standing. CleanCarbon.ai's automated, farmer-focused solutions ensured cost savings, regulatory success, and sustainability alignment. For exporters tackling CBAM, CleanCarbon.ai offers a trusted path forward. Visit cleancarbon.ai to book a consultation and empower your CBAM journey.



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