

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 1022**

TO BE ANSWERED ON 9TH DECEMBER 2025/ 18 Agrahayana, 1947 (Saka)

**GREEN FINANCE AND SUSTAINABLE INVESTMENT**

1022. SMT. REKHA SHARMA

Will the Minister of FINANCE be pleased to state:

- (a) the steps being taken to promote green finance and sustainable investment in line with India's climate goals;
- (b) Whether government is exploring innovative financial instruments such as green bonds or sustainability-linked loans; and
- (c) the measures in place to encourage private sector participation in Climate-resilient infrastructure financing?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) to (c) Green financing and sustainable investments are being promoted through multiple policy and regulatory measures. These include direct budgetary support under the National Action Plan for Climate Change and production-linked incentive schemes for high-efficiency solar photovoltaic modules, advanced chemistry cell battery storage systems, and the automotive and auto-component sectors. In addition, SEBI introduced a regulatory framework for green debt securities in 2017 to enable the mobilisation of finances for environmentally sustainable projects such as renewable energy, clean transportation, and sustainable waste management. This has been further expanded by the inclusion of three specific subcategories, viz. 'Blue' bonds, 'Yellow' bonds and 'Transition' bonds.

The Government has introduced innovative financial instruments aligned with India's climate goals, such as the Sovereign Green Bonds, launched in 2022, which raise resources for eligible green projects in the public sector.

Further, RBI's Framework for Acceptance of Green Deposits requires regulated entities to deploy the proceeds solely for green activities, and the International Financial Services Centres Authority has established a regulatory ecosystem for green, social, sustainability, and sustainability-linked bonds. Collectively, these measures are encouraging greater private-sector participation and investment in climate-resilient infrastructure.

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