

**GOVERNMENT OF INDIA
MINISTRY OF PLANNING**

**LOK SABHA
UNSTARRED QUESTION NO. 4226
TO BE ANSWERED ON 18.03.2026**

PROMOTION OF INDIA'S LEADERSHIP IN RENEWABLE ENERGY

4226.SHRI BASAVARAJ BOMMAI:

Will the Minister of Planning be pleased to state:

- (a) the steps being taken to promote India's Leadership in renewable energy at the global level and the manner in which the Government's plans to attract foreign investment in this sector;**
- (b) the manner in which the Government plan to incentivize increased private sector investment in research and development;**
- (c) the manner in which the Government plan to balance strategic partnerships with both the Global South and North to strengthen India's economic and diplomatic position;**
- (d) whether any legal reforms are being considered to improve the ease of doing business and attract foreign direct investment in critical sectors; and**
- (e) if so, details thereof?**

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF
STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF
STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING AND
MINISTER OF STATE IN THE MINISTRY OF CULTURE**

(RAO INDERJIT SINGH)

(a): The Government of India has taken several steps and initiatives to promote the country's leadership in renewable energy at the global level and attract foreign investment. These inter-alia include:-

- 1. India's Nationally Determined Contributions (NDCs) stipulate a target of 50% non-fossil based electric installed capacity by 2030 and it has already achieved non- fossil base electricity installed capacity at 52%.**
- 2. India showed global leadership in promoting adoption of renewables by launching the International Solar Alliance (ISA), and the Global Biofuel Alliance (GBA). Presently, ISA has 111 member countries, with another 14 countries are in process of ratifying the ISA Framework Agreement to become full member States of ISA Assembly. ISA aims to promote the development and deployment of solar energy across the world.**
- 3. India also launched the National Green Hydrogen Mission, with a target of producing 5 million tonnes per annum by 2030 to make India a Green Hydrogen Hub.**
- 4. India has allowed 100% Foreign Direct Investment (FDI) under the automatic route for renewable energy projects. The Government has also promoted Green Energy Corridor to facilitate evacuation of RE power where foreign investment is involved.**

(b): The Ministry of New and Renewable Energy (MNRE) is providing incentives to private sector R&D in renewable energy primarily through the Renewable Energy Research and Technology Development (RE-RTD) Program, which offers up to 70% financial support to industries and start-ups for technology development. Other key initiatives include the Production Linked Incentive (PLI) scheme for high-efficiency solar PV modules and the newly launched Research, Development and Innovation (RDI) Scheme. Research Development and Innovation Fund (RDIF) is a flagship initiative under the Department of Science and Technology (DST), Government of India. It is designed to accelerate investment in India's R&D and Innovation ecosystem. RDI envisions to support private sector enterprises, start-ups, and industries working in sunrise and strategic sectors to transform ideas into globally

competitive technologies and products. Approved by the Union Cabinet on 1 July 2025, the Scheme aims to catalyse private sector investment in R&D with a total outlay of ₹1 lakh crore over six years.

(c): The Government has taken various steps to balance partnerships with Global South and North to strengthen India's economic and diplomatic position. These inter-alia include:-

- 1. The Government engage with the Global South through development cooperation, addressing shared challenges like climate change, digital inclusion and poverty. Simultaneously, we partner with the Global North on economic growth, technology sharing, and policy governance. India has a strong development partnership program with Global South countries under which the government extends line of credits, grants as well as capacity building training programs.**
- 2. India is showing leadership in demonstrating that economic growth can be achieved in a manner consistent with climate commitments. India is also championing the concerns of the global south, as demonstrated in COP 29. During COP 29, India highlighted that Global North needs to do more in providing necessary finance to enable Global South tackle climate change.**
- 3. India launched Mission Lifestyle for Environment (LiFE) at the COP 26, which recognises that Indian culture and living traditions are inherently sustainable. It seeks to channel the efforts of individuals and communities into a global mass movement of positive behavioural change in both global North & South.**
- 4. During India's G20 Presidency, India took the initiative to welcome the African Union as a permanent member of the G20. Further, the Government has pioneered several initiatives including the International Solar Alliance (ISA), Global Biofuel Alliance (GBA), and Coalition for Disaster Resilient Infrastructure (CDRI).**

(d) & (e): India is actively implementing legal and regulatory reforms to enhance the ease of doing business (EoDB) and attract Foreign Direct Investment (FDI) in critical sectors. The key initiatives include streamlining FDI policies, liberalizing sectoral caps, and simplifying compliance through digital platforms.

- **FDI Policy Revisions (2026):** The Cabinet recently modified guidelines for investments from Land Bordering Countries (LBCs) to allow up to 10% investment under the automatic route if beneficial ownership is below 10%, particularly aiding manufacturing in electronic components, capital goods, and solar cells.
- **Decriminalization & Compliance:** The Jan Vishwas (Amendment of provisions) Act 2023 and other reforms have decriminalized minor technical violations and, as of Feb 2026, over 16,000 compliances were simplified or reduced to lower the burden on businesses.
- **Labour Reforms:** 29 central labour laws have been consolidated into four Labour codes to simplify compliance, with approval timelines for factory construction reduced from 90 days to 30 days.
- **Tax Simplification:** The Income Tax Act was amended to abolish "angel tax" for start-ups and reduce taxes on foreign companies.

These reforms, including the 2025 GST changes, are aimed at strengthening the overall investment climate and improving India's global competitiveness.
