

India's Renewable Energy Sector: Powering a Global Green Transition

A STRATEGIC REVIEW OF CAPACITY, POLICY, AND THE 2026-27 FISCAL ROADMAP.



Ambition in Action: The State of the Sector

The renewable energy sector has cemented its status as one of India's top five fastest-growing industries. Driven by record capacity additions and surging investor interest, the nation is aggressively pivoting toward its net-zero emission goals.

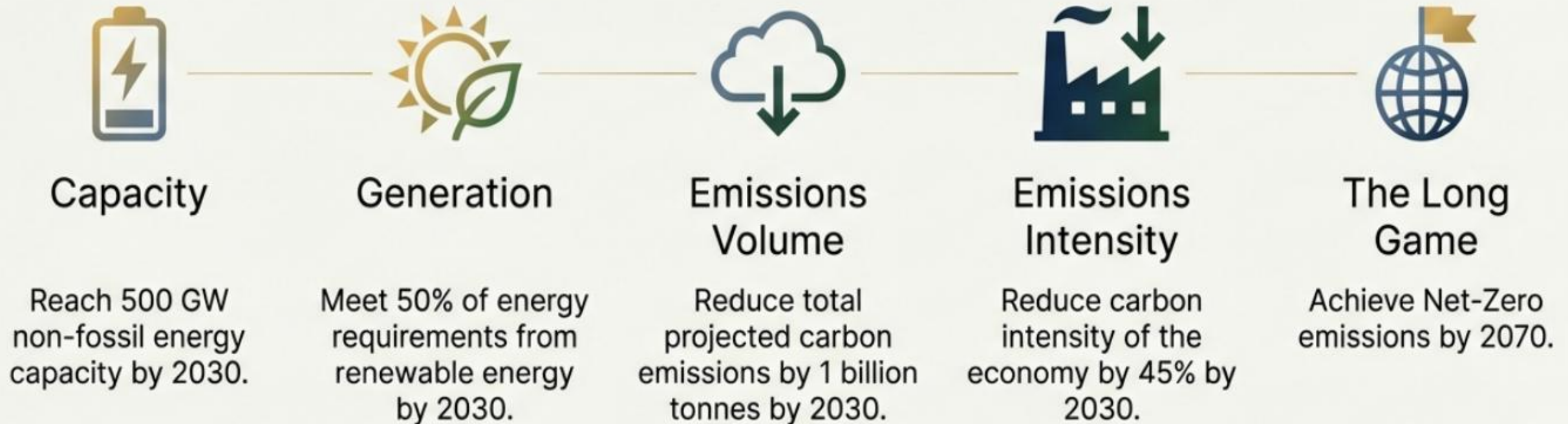
While thermal power still accounts for 70–75% of generation, the trajectory has shifted irreversibly. With a 30% increase in budgetary allocation for 2026-27 and the early achievement of non-fossil capacity targets, the government has moved from setting targets to funding mass adoption.

KEY TAKEAWAYS

- Milestone: 50% non-fossil capacity achieved 5 years ahead of schedule.
- Investment: Rs. 32,914 crore allocated in 2026-27 Budget (+30% YoY).
- Status: 4th globally in Renewable Energy Installed Capacity.

India's Panchamrit Plan

a policy mandate for decarbonisation



This framework aligns 1.4 billion people toward a single climate action goal.

The Tipping Point: Crossing the 50% Threshold

GENERATION



Historic Milestone

51.5%

of total electricity demand met by
renewables on this single day.

CAPACITY



June 2025

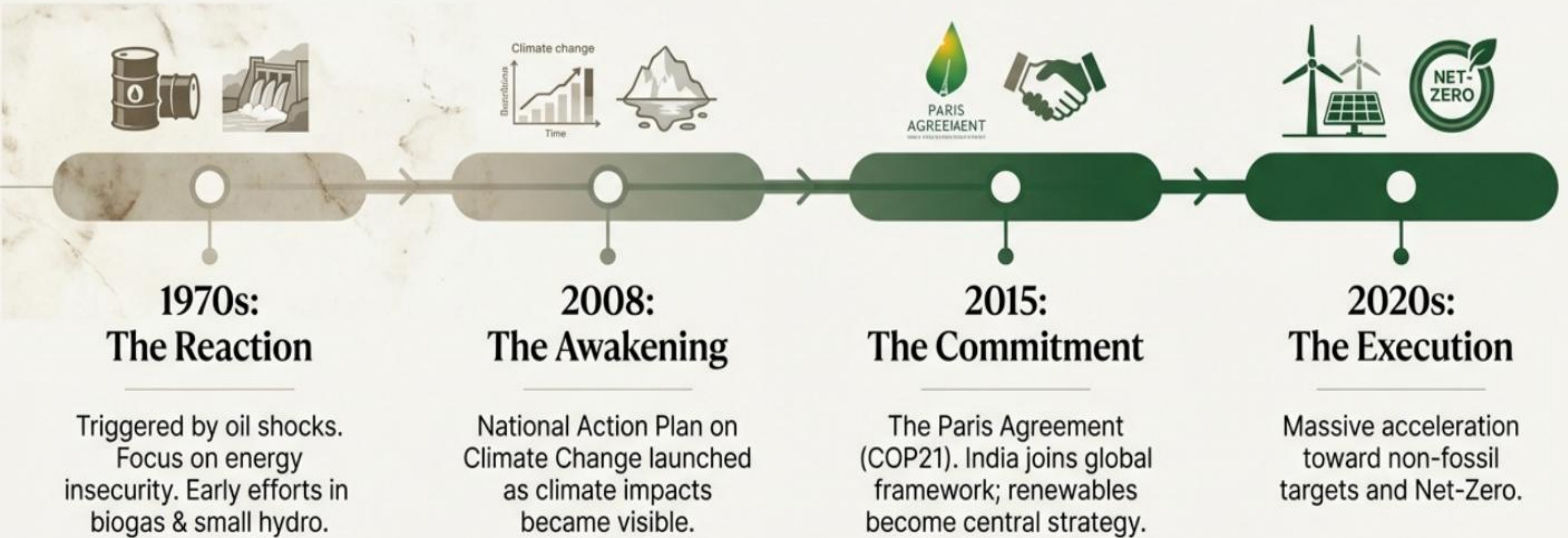
Cumulative Installed Power Capacity
from Non-Fossil Sources

50%

achieved 5 years ahead of schedule.

By August 2025, the nation crossed the 250 GW milestone for non-fossil power installed capacity. While thermal power remains a baseload, these spikes demonstrate the increasing viability of a renewable-dominant grid.

From Energy Security to Climate Leadership



India cements its position as a global clean energy heavyweight

As of 2025, India has successfully operationalized its transition strategy. The nation has introduced comprehensive initiatives to systematically replace conventional energy sources, resulting in a top-tier global ranking.

*“India is not just participating in the global green energy shift — it is **positioning** itself to lead it.”*



Global Solar
Power Capacity

#3 ↑



Global Wind
Power Capacity

#4 ↑



Total Renewable
Installed Capacity

#4 ↑

Fiscal policy signals aggressive sector growth

The 2026-27 Union Budget sharpens the national focus on green energy with significantly hiked financial support.



The government has significantly hiked financial support to push solar, wind, and clean hydrogen into the mainstream, signalling strong policy continuity for investors.

PM Surya Ghar: Democratizing Solar Power

The Mandate

Provide **free electricity to households** via **rooftop solar subsidies** (covering up to 40% of panel costs).

The Investment

Rs. 22,000 Crore

(Allocated 2026-27). Represents nearly 2/3rds of total clean energy budget.

Progress Report

28 Lakh households benefited as of Jan 2026.

Disbursement

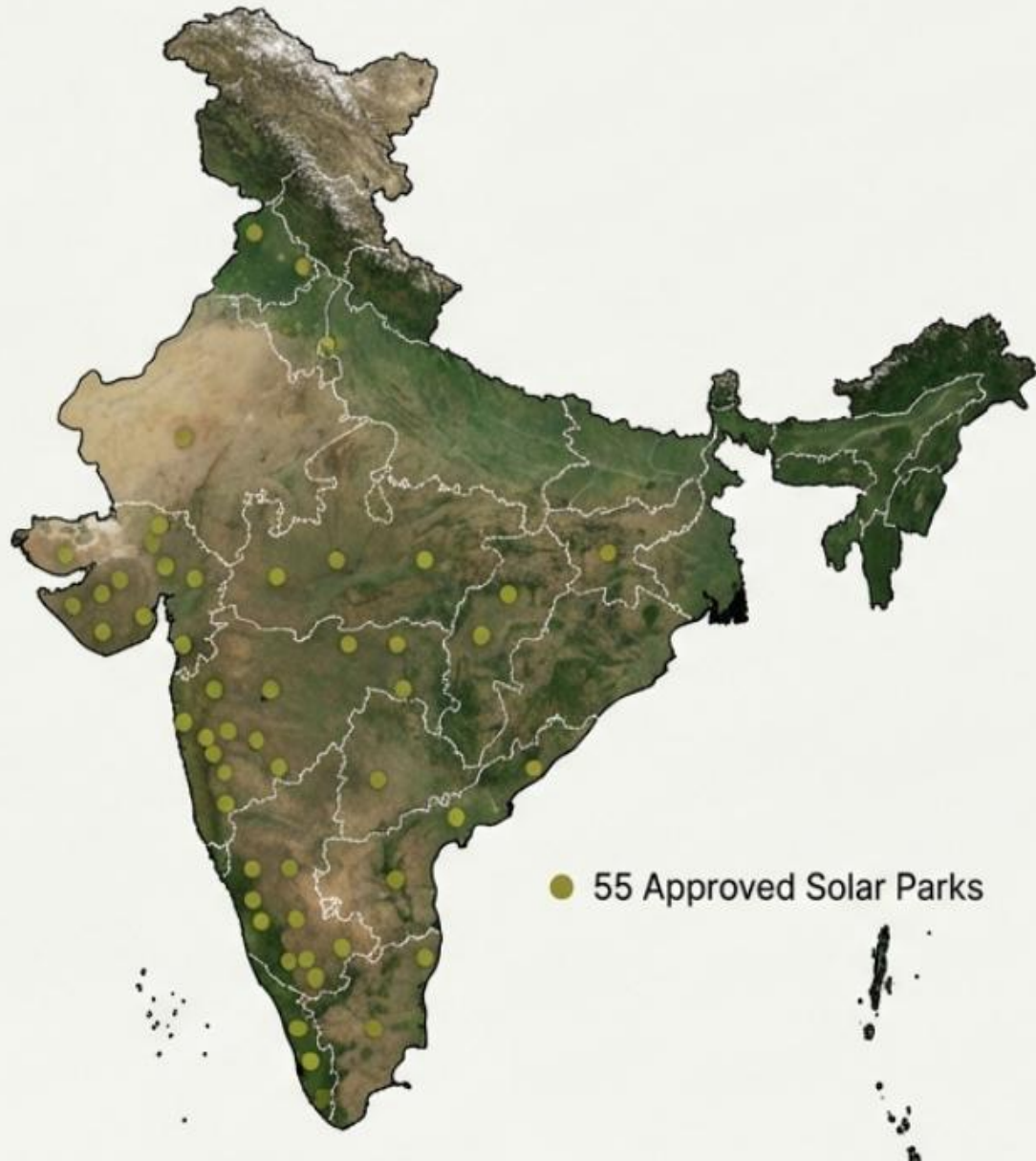
Rs. 16,061.12 crore released as Central Financial Assistance.

PM-KUSUM: Decarbonizing the Agricultural Belt

Key Metrics	Details
The Mandate	Support farmers switching from diesel to solar pumps.
The Incentive	30% to 50% subsidy for new solar pumps or conversion.
The Investment	Rs. 5,000 Crore (Budget 2026-27)
Growth Trend	Allocation doubled from Rs. 2,560 Cr in 2024-25. ↑ ≈100% Increase



Utility-Scale Infrastructure: Solar Parks & Ultra Mega Projects



The Target

40 GW by March 2026.

Status (Oct 2025)

55 Solar Parks approved; Sanctioned capacity 39,973 MW.

Execution

14,922 MW installed; balance under implementation.

Policy Update

Scheme extended until 31st March 2029.

Emerging Frontiers: The National Green Hydrogen Mission

Green hydrogen is recognized as the definitive clean energy source, emitting only water vapour. To catalyze this nascent industry, the government is aggressively increasing early-stage stage funding.

Budget Doubled

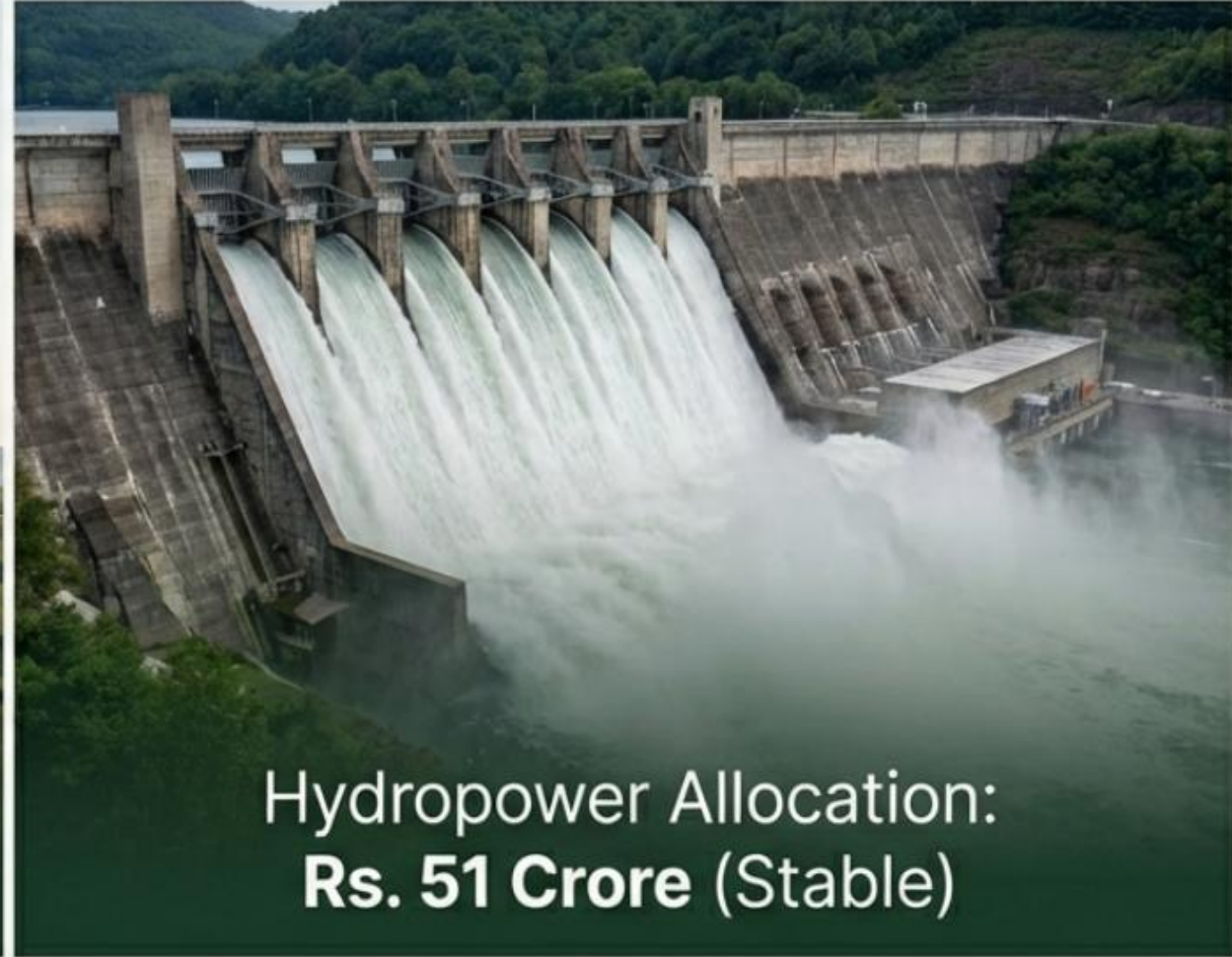
Previous Allocation: **Rs. 300 Cr**

Current Allocation (2026-27): **Rs. 600 Cr**



Symbolizing Hydrolysis for Green Hydrogen Production.

Steady Anchors: Wind and Hydropower



While solar and hydrogen see rapid acceleration, these established sectors provide necessary diversity to the renewable grid, complementing variable generation.

The Investment Case: Profitable, Scalable, and Permanent

India is transforming into a green energy hub for the world. The convergence of bold policy initiatives ('Panchamrit') and relentless financial backing (Budget 2026-27) has created a robust environment for growth.



Revenue

Predictable streams via extended schemes.



Confidence

Strong financials and government subsidies.



Valuation

Transition driving market prices.

For stakeholders, this is no longer just about climate responsibility. It is about capitalizing on an industry that is built to last.

The Road Ahead: Targets & Timelines

