

# BUDGET 2026: India's Renewable Energy Sector Leaders Respond To Budget

Hours after the Union Finance Minister Nirmala Sitharaman presented the Union Budget for 2026-27, several leaders from the Indian renewable and clean tech sector responded.

Excerpts:



Union Finance Minister Nirmala Sitharaman today presented the Union Budget 2026 before the Parliament. Several leaders from the Indian renewable sector have responded to the provisions made by the government. This comes at a time when the government announced a hand-holding support for solar manufacturing, a boost to the BESS projects, special emphasis on critical minerals and rare earth matters. The government has also increased allocation for solar projects in the country.

Following are some of the key responses from the industry leaders.

"There are planned incentives for lithium and nickel processing including ~15 % capital subsidy for new processing plants aimed at strengthening supply chains for battery and storage technologies. The government has also continued the approach of customs duty reductions on critical minerals and related materials, helping lower input costs for green technologies. Additionally, a ₹20,000 crore incentive scheme for carbon capture and storage technologies was unveiled, underscoring the focus on broad decarbonisation pathways."

**Faruk G. Patel, Founder, Chairman & Managing Director, KP Group**



## Union Budget 2026-27 LIVE: बाजार को झटका, किसान को भरोसा, रिफॉर्म्स का वादा और टैक्सपेयर्स खाली हाथ, गरीब से ग्रोथ का पूरा रोडमैप- पढ़ें लेटेस्ट अपडेट्स

Union Budget 2026-27 Live Updates: वित्त मंत्री ने बजट भाषण शुरू किया, थोड़ी देर में क्लियर हो जाएगा किसे क्या मिलेगा, ग्लोबल टेंशन के बीच बजट से कई उम्मीदें रही हैं. इन सब सवालों के जवाब मिलेंगे और जरूर मिलेंगे. पढ़ते रहें लाइव अपडेट्स...

Z BUSINESS

# BUDGET 2026

LIVE



Budget 2026 LIVE News, Union Budget 2026 Today: वित्त मंत्री ने Union Budget 2026 पेश करते हुए यह साफ कर दिया कि सरकार की प्राथमिकता तात्कालिक लोकप्रिय फैसलों से ज्यादा लॉन्ग टर्म ग्रोथ और स्ट्रक्चरल मजबूती है. सरकार का दावा है कि उसके नीतिगत कदमों की वजह से भारत ने 7% से ज्यादा की आर्थिक वृद्धि हासिल की है और आने वाले वर्षों में भी स्थिरता के साथ तेज़ विकास का रास्ता नहीं छोड़ा जाएगा. यह बजट खुद को युवा शक्ति आधारित बताता है, जिसमें गरीबों पर फोकस, प्रोडक्टिविटी बढ़ाने के प्रयास और सुधारों की निरंतरता साफ दिखाई देती है. वित्त मंत्री ने 16वें वित्त आयोग की रिपोर्ट भी पेश की, जिससे राज्यों की हिस्सेदारी और केंद्र-राज्य वित्तीय संतुलन का रोडमैप सामने आया.

### अर्थव्यवस्था और फिस्कल हेल्थ: ग्रोथ के साथ अनुशासन

बजट में सरकार ने यह संदेश देने की कोशिश की कि तेज़ ग्रोथ के बावजूद फिस्कल डिसिप्लिन से कोई समझौता नहीं किया जाएगा. 16वें वित्त आयोग की सिफारिशों के बाद राज्यों को लगभग 1.4 लाख करोड़ रुपये मिलने का रास्ता साफ हुआ है, जिससे संघीय ढांचे को मजबूती मिलेगी. सरकार का अनुमान है कि FY26 में Debt-to-GDP रेश्यो 56.1% रहेगा, जो FY27 में घटकर 55.6% पर आ सकता है. इसी तरह FY26 में वित्तीय घाटा GDP का 4.4% रहने का अनुमान है, जबकि FY27 के लिए इसे 4.3% तक सीमित रखने का लक्ष्य रखा गया है. हालांकि सरकार FY27 में करीब 11.7 लाख करोड़ रुपये उधार लेगी, लेकिन उसका दावा है कि यह उधारी ग्रोथ-सपोर्टिंग कैपेक्स के लिए होगी.

### क्लीन एनर्जी सेक्टर के लिए मजबूत संकेत दे रहा बजट

डॉ. फारुक जी. पटेल, फाउंडर, चेयरमैन और मैनेजिंग डायरेक्टर, केपी ग्रुप का कहना है कि बजट 2026 से पहले कंपनी ने रिन्यूएबल एनर्जी, एनर्जी स्टोरेज, ग्रिड इंफ्रास्ट्रक्चर और क्रिटिकल मिनेरल्स के लिए मजबूत पॉलिसी सपोर्ट की मांग की थी. बजट में इस दिशा में अहम कदम उठाए गए हैं. ओडिशा, आंध्र प्रदेश, तमिलनाडु और केरल में रेयर अर्थ कॉरिडोर, लिथियम और निकेल प्रोसेसिंग के लिए प्रोत्साहन और कार्बन कैप्चर के लिए 20 हजार करोड़ रुपये की स्कीम से भारत की ग्रीन और क्लीन एनर्जी वैल्यू चेन को मजबूती मिलेगी.



## Union Budget 2026-27 Unveils INR 20,000 Cr CCUS Plan, Customs Relief for Solar and Storage

*Budget 2026-27 announces INR 20,000 crore for CCUS, extends nuclear import exemptions, boosts battery storage and mineral processing, and restructures PFC-REC to strengthen energy security and clean-tech manufacturing.*

February 01, 2026. By EI News Network



### Budget 2026-27: INR 20,000 Crore for CCUS, Strengthens Energy Security, Clean Technologies and Domestic Manufacturing



Union Finance Minister Nirmala Sitharaman presented India's 80th Union Budget in Parliament today, marking her ninth consecutive budget.

The Government has laid out a comprehensive strategy to secure India's long-term energy future, accelerate the renewable energy transition, and strengthen domestic manufacturing across power and clean-tech sectors. Budget 2026-27 introduces major fiscal measures and ambitious schemes to reduce critical import dependence and build a resilient, sustainable energy ecosystem aligned with the goal of a Viksit Bharat.

In energy-sector announcements, the Finance Minister unveiled an INR 20,000 crore scheme for Carbon Capture, Utilisation and Storage (CCUS). The programme targets emissions from hard-to-abate industrial sectors, ensuring that high economic growth remains compatible with India's climate commitments.

To boost domestic renewable manufacturing and cut import reliance, the Budget proposes key customs duty exemptions. These include extending duty exemptions on capital goods used for manufacturing lithium-ion cells to those used for Battery Energy Storage Systems (BESS), encouraging large-scale grid storage manufacturing in India.

The Budget also exempts Basic Customs Duty (BCD) on Sodium Antimonate, a critical raw material for solar glass manufacturing, lowering costs for domestic solar module producers. Further, BCD exemption on capital goods for processing critical minerals aims to build domestic refining capacity for lithium, cobalt and rare earths used in EVs, wind turbines and clean technologies.

For stable baseload clean power, the Budget extends BCD exemptions for nuclear power project imports until 2035 and expands coverage to all nuclear plants, irrespective of capacity, supporting deployment of newer reactor technologies.

In support of cleaner fossil alternatives, the entire value of biogas will be excluded from Central Excise duty on biogas-blended CNG, incentivising blending, waste-to-energy projects and lower transport emissions.

A major institutional reform includes restructuring Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) to improve operational efficiency, risk management and financing capacity for large-scale power and renewable infrastructure.

Energy security measures are aligned with the broader manufacturing push through initiatives such as the Scheme for Rare Earth Permanent Magnets, India Semiconductor Mission 2.0 and new Chemical Parks. Additionally, INR 2 lakh crore support to states under the SASCI scheme and investments in Dedicated Freight Corridors and National Waterways are expected to lower logistics costs for energy equipment and materials.

By committing to fiscal discipline while strategically deploying capital in energy security and renewables, Budget 2026-27 is expected to power India's sustained growth of around 7 percent with greater independence and environmental responsibility.

Following Budget 2026-27, leaders shared their insights with Energetica India as follows:

#### Dr. Faruk G. Patel, Founder, Chairman & MD – KP Group:

"Budget 2026 takes significant steps for India's clean energy value chain with INR 20,000 crore for CCUS, ~15 percent capital subsidy for lithium and nickel processing, customs duty reductions, and dedicated rare earth corridors in Odisha, Andhra Pradesh, Tamil Nadu, and Kerala, strengthening renewables, EVs, storage, and high-tech manufacturing supply chains."



# Union Budget 2026: Solar Power Anchors India's Clean Energy Transition with Focus on Manufacturing, Storage, and Grid Resilience



The Union Budget 2026 places clean energy, especially solar power, firmly at the centre of India's growth and energy transition strategy. With a clear focus on scale, affordability, manufacturing strength, and grid resilience, the budget builds on earlier reforms while signalling a more mature and system-level approach to decarbonisation. Solar energy emerges as the main pillar of this transition, supported by higher allocations, targeted schemes, and a supportive policy environment aimed at both decentralised and utility-scale deployment.

The overall allocation for renewable energy has been raised to about ₹32,914.7 crore, nearly 30% higher than the previous year's revised estimates. Alongside this, the Ministry of New and Renewable Energy, the Ministry of Power, and the Department of Atomic Energy together receive allocations of around ₹26,549 crore, ₹21,847 crore, and ₹24,049 crore, respectively. This distribution reflects a broader clean-energy and grid-modernisation push, recognising that solar growth must go hand in hand with stronger transmission, storage, and system reliability. The higher outlay is aimed at accelerating clean-energy deployment, boosting domestic manufacturing, and improving grid integration, with solar positioned as the backbone of India's energy transition.

A major highlight of the budget is the continued expansion of the PM Surya Ghar: Muft Bijli Yojana. The allocation for the rooftop solar scheme has been increased to ₹22,000 crore in Budget 2026, up from ₹20,000 crore in the budget estimates and ₹17,000 crore in the revised estimates for 2025–26. The scheme targets 40 lakh households by March 2026, and one crore households by 2027 through graded rooftop-solar subsidies and easy, collateral-free loans facilitated through a national digital portal. By directly linking solar adoption to household savings, the scheme aims to make clean energy a part of everyday life while reducing dependence on conventional grid power.

The budget narrative places strong emphasis on decentralised and residential solar as a tool to address long-standing challenges in the power sector. High transmission and distribution losses, which can reach 20–25% in some states, continue to strain utility finances. Rooftop solar is seen as a way to cut these losses, improve grid resilience, and reduce peak demand pressures. At the same time, by freeing up grid power, distributed solar indirectly supports emerging demand centres such as data centres, electric vehicle charging infrastructure, and green hydrogen production. This reflects a more integrated view of how solar can support wider economic and industrial growth.

Utility-scale solar also remains a key focus. Part of the enhanced renewable energy allocation is earmarked for grid-scale projects, transmission expansion, and the integration of variable renewables such as solar and wind. Continued investments in solar parks, hybrid projects, and Green Energy Corridors are highlighted as critical to evacuating power from resource-rich regions to demand centres. The budget provides visibility for large-scale capacity addition, helping developers plan projects with greater certainty while strengthening the backbone of India's renewable grid.

Beyond deployment, Budget 2026 underscores the importance of a supportive and stable policy environment. It is framed as a continuation of long-term, growth-oriented policies that work alongside existing measures such as production-linked incentives, viability gap funding, and ongoing power-sector reforms. Industry feedback suggests that the higher allocation is crucial to sustaining investment momentum, though there is also a strong call for lower financing costs, faster approvals, and more predictable power purchase agreement processes to fully unlock private capital.

A notable addition to the clean-energy landscape is the emphasis on carbon management. The budget proposes a multi-year outlay of ₹20,000 crore for Carbon Capture, Utilisation and Storage. This signals recognition that decarbonisation cannot rely on renewable power alone and that emissions from hard-to-abate sectors such as power, cement, steel, and refining must also be addressed. By treating carbon as a managed resource rather than only a liability, the policy opens the door for cluster-based deployment and clearer utilisation pathways, potentially making carbon capture a foundational part of India's industrial decarbonisation strategy.

Energy storage and manufacturing receive strong backing across multiple announcements. Customs duty rationalisation for lithium-ion cells used in battery energy storage systems and exemptions on key inputs such as sodium antimonate for solar glass are expected to improve cost competitiveness and grid stability as renewable penetration rises. The extension of duty exemptions on capital goods for lithium-ion cell manufacturing to include storage systems supports domestic capability creation and reflects the growing importance of storage in delivering reliable, round-the-clock clean power. At the same time, the gradual withdrawal of certain silicon-related exemptions from April 2026 sends a signal for manufacturers to accelerate domestic capacity creation and strengthen supply chains.

The budget also links solar growth with broader manufacturing and technology ambitions. The launch of India Semiconductor Mission 2.0, with an outlay of ₹40,000 crore, alongside additional funds for electronics manufacturing and growth capital, is expected to benefit components used in solar inverters, charge controllers, and tracking systems. This push goes beyond capacity expansion and points toward deeper technological sovereignty, including control systems, grid software, and advanced energy electronics that underpin modern solar and storage ecosystems.

Financing and institutional reforms form another important pillar. The proposed restructuring of power sector lending institutions is aimed at improving credit flow, efficiency, and predictability for large, long-gestation clean-energy projects. Faster and more reliable financing can ease constraints for developers and manufacturers, particularly as projects become larger and more complex. The budget also incentivises power distribution reforms and intra-state transmission augmentation, with states allowed additional borrowing subject to reform implementation. These measures are designed to strengthen the financial health of utilities and support the integration of more renewable capacity.

The National Green Hydrogen Mission continues to receive support, with an allocation of about ₹600 crore for FY 2026–27, higher than the previous year's revised estimate. While the allocation remains modest, it signals continued policy commitment. Industry feedback highlights the need for clearer demand-side support to accelerate large-scale deployment of green hydrogen and clean fuels, especially as solar increasingly underpins hydrogen production.

Skills and workforce development are also addressed through investments in centres of excellence and industry-linked skilling initiatives. As solar, storage, and grid infrastructure expand rapidly, a skilled workforce is seen as essential to ensure timely execution, safety, and system optimisation. This focus aligns with India's broader target of achieving 500 GW of non-fossil capacity by 2030.

**Dr. Faruk G. Patel, Founder, Chairman & Managing Director, KP Group**

"Budget 2026 addresses key industry expectations by strengthening support for renewables, storage, grid infrastructure, and critical minerals. Rare-earth corridors, incentives for lithium and nickel processing, duty reductions, and a ₹20,000 crore CCUS scheme enhance supply-chain security and reinforce India's broader decarbonisation and clean-energy strategy."



## बजट 2026: क्या बोले स्टार्टअप इकोसिस्टम के दिग्गज और बिजनेस लीडर? जानिए...

बजट 2026 में इंफ्रास्ट्रक्चर सेक्टर में निवेश, टेक्नोलॉजी और इनोवेशन को बढ़ावा, मैनुफैक्चरिंग और MSMEs के लिए सहूलियतों के साथ-साथ रोजगार सृजन पर फोकस ने अलग-अलग सेक्टर्स में चर्चा तेज कर दी है. आइए जानते हैं बजट पर इंडस्ट्री लीडर्स की पहली और अहम प्रतिक्रियाएं...



**वि**त्त मंत्री निर्मला सीतारमण ने आज संसद में केंद्रीय बजट 2026-27 पेश किया, जिसने देश की आर्थिक प्राथमिकताओं और विकास के रोडमैप को स्पष्ट संकेत दिए हैं. वैश्विक आर्थिक दबावों, घरेलू मांग को मजबूत करने की जरूरत और भारत की दीर्घकालिक विकास महत्वाकांक्षाओं के बीच पेश किया गया यह बजट उद्योग जगत के लिए खास मायने रखता है.

बजट में इंफ्रास्ट्रक्चर सेक्टर में निवेश, टेक्नोलॉजी और इनोवेशन को बढ़ावा, मैनुफैक्चरिंग और MSMEs के लिए सहूलियतों के साथ-साथ रोजगार सृजन पर फोकस ने अलग-अलग सेक्टर्स में चर्चा तेज कर दी है. स्टार्टअप इकोसिस्टम से लेकर पारंपरिक उद्योगों तक, हर वर्ग यह आंकलन कर रहा है कि ये घोषणाएं उनके कारोबार, निवेश योजनाओं और भविष्य की रणनीतियों को किस तरह प्रभावित करेंगी.

ऐसे में, उद्योग जगत के दिग्गजों, उद्यमियों, स्टार्टअप फाउंडर्स और सेक्टर एक्सपर्ट्स की प्रतिक्रियाएं बजट के निहितार्थों को समझने का अहम जरिया बनती हैं. बजट 2026-27 पर उनकी राय न सिर्फ संभावनाओं को उजागर करती है, बल्कि उन क्षेत्रों की ओर भी इशारा करती है जहां और स्पष्टता या समर्थन की उम्मीद की जा रही है.

*आइए जानते हैं बजट पर इंडस्ट्री लीडर्स की पहली और अहम प्रतिक्रियाएं...*

KP Group के Founder, Chairman & MD डॉ. फारूक जी. पटेल ने कहा, बजट 2026 ने रिन्यूएबल एनर्जी और क्लीन एनर्जी वैल्यू चेन को मजबूत करने की साफ दिशा दिखाई है. रेयर अर्थ कॉरिडोर और लिथियम व निकेल प्रोसेसिंग के लिए प्रोत्साहन आत्मनिर्भर मैनुफैक्चरिंग को बढ़ाएंगे. कार्बन कैप्चर के लिए बड़े निवेश से डीकार्बोनाइजेशन को गति मिलेगी. यह बजट भारत को क्लीन एनर्जी लीडर बनाने की मजबूत नींव रखता है.



# RenewableWatch

## Budget 2026 Reactions: Views of clean energy industry stakeholders

The Union Budget 2026-27 aims at strengthening clean energy development, clean technology manufacturing, lithium-ion battery production, and tariff rationalisation. There has been a significant increase in budgetary allocations for the Ministry of New and Renewable Energy (MNRE) as well. For 2026-27, the MNRE has been allocated Rs 329.14 billion, up from Rs 265.49 billion in 2025-26. The allocation for the solar sector is Rs 305.39 billion in 2026-27, up from Rs 242.24 billion in 2025-26. The allocation for the Pradhan Mantri Krishi Urja Suraksha evam Utthaan Mahabhiyan programme is Rs 50 billion, and that of the PM Surya Ghar: Muft Bijli Yojana is Rs 220 billion in the 2026-27 budget. The allocation for the National Green Hydrogen Mission is Rs 6 billion. The total budgetary allocation for wind and other renewable energy sources (grid and offgrid hydro power) is Rs 5.51 billion, and that for the bioenergy programme is Rs 2.75 billion. In the budget, Rs 5.99 billion has been allocated for green energy corridors.

To reduce input costs, boost domestic manufacturing, and enhance export competitiveness, the basic customs duties have been reduced on several items. In the renewable energy sector, the duty on sodium antimonate used in the manufacture of solar glass has been cut from 7.5 per cent to nil. Additionally, specified capital goods required for the manufacture of lithium-ion cells for battery energy storage systems will now attract nil basic customs duty. Furthermore, the budget has also proposed to exclude the entire value of biogas while calculating the central excise duty payable on biogas-blended compressed natural gas. In the critical mineral space, the basic customs duty on monazite has been reduced from 2.5 per cent to nil.

A scheme for Rare Earth Permanent Magnets was launched in November 2025, with the government now proposing targeted support for mineral-rich states of Odisha, Kerala, Andhra Pradesh, and Tamil Nadu to establish dedicated rare earth corridors. These corridors are aimed at strengthening the entire value chain, including mining, processing, research, and manufacturing, to build domestic capabilities in critical minerals. In addition, aligning with the Carbon Capture Utilisation and Storage (CCUS) roadmap launched in December 2025, the government plans to scale up CCUS technologies to achieve higher readiness levels across five major industrial sectors, namely power, steel, cement, refineries, and chemicals. To support this initiative, an outlay of Rs 200 billion has been proposed over the next five years, signalling a long-term commitment to industrial decarbonisation.

Senior Industry experts share their Budget 2026 reactions for the clean energy sector...

**Dr. Faruk G. Patel, Founder, Chairman and Managing Director, KP Group**

Ahead of the Union Budget 2026, KP Group strongly advocated for enhanced policy support and incentives for renewables, energy storage, grid infrastructure and critical minerals a backbone of India's clean energy value chain. We emphasised the need for continued tax rationalisation, targeted duty incentives on key inputs, and strengthened supply-chain support to reduce import reliance and boost domestic manufacturing. These pre-Budget expectations reflected broader industry calls for clarity and competitiveness in global clean-tech markets.

The Budget has taken significant steps in that direction. Among key announcements, dedicated rare earth corridors were proposed across Odisha, Andhra Pradesh, Tamil Nadu and Kerala to secure critical minerals essential for renewables, EVs and high-tech manufacturing. There are planned incentives for lithium and nickel processing including ~15 per cent capital subsidy for new processing plants aimed at strengthening supply chains for battery and storage technologies. The government has also continued the approach of customs duty reductions on critical minerals and related materials, helping lower input costs for green technologies. Additionally, a Rs 200 billion incentive scheme for carbon capture and storage technologies was unveiled, underscoring the focus on broad decarbonisation pathways.

## Budget 2026-27: CCUS emerges as core pillar of India's decarbonisation strategy

*Industry and ratings agencies said Budget 2026's Rs 20,000-crore CCUS push marks a shift toward scalable decarbonisation of industry*



Budget 2026-27: CCUS emerges as core pillar of India's decarbonisation strategy Energy Watch

**New Delhi:** Industry leaders and ratings agencies said the government's decision to allocate Rs 20,000 crore for Carbon Capture, Utilisation and Storage (CCUS) in [Budget 2026-27](#) reflects a decisive shift toward addressing emissions from hard-to-abate sectors.

### Industry sees broader decarbonisation pathway

Dr Faruk G Patel, Founder, Chairman and Managing Director of KP Group, said the announcement underscores the government's intent to pursue multiple decarbonisation routes. "Additionally, a Rs 20,000 crore incentive scheme for carbon capture and storage technologies was unveiled, underscoring the focus on broad decarbonisation pathways," Patel said.