

INVEST IN INDIA · SECTOR BRIEF

Energy, Renewables & Industrials

FDI rules, central and state incentives, tax and customs measures, and the set-up route for foreign investors in renewables, storage, green hydrogen, clean-energy manufacturing, and where nuclear stands.

300.50 GW

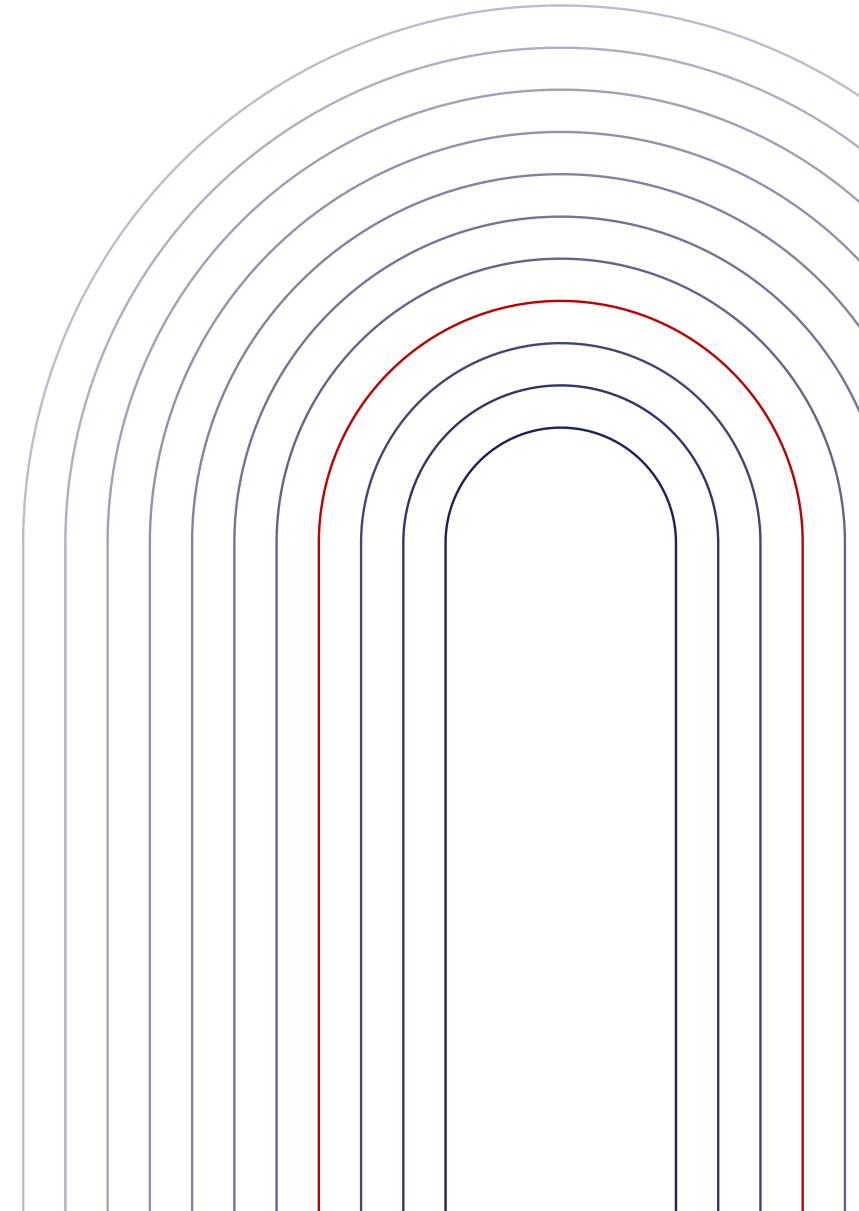
non-fossil power capacity on 31 July 2026, over 54% of the installed total

500 GW

non-fossil capacity target for 2030

100%

FDI under the automatic route for renewable energy generation and distribution



SECTOR SNAPSHOT

Non-fossil capacity passed 300 GW in July 2026 after a record FY2025-26

India reached a 50% non-fossil share of installed capacity in June 2025, five years ahead of its 2030 commitment. Tenders, storage support and manufacturing incentives continue under a 500 GW target for 2030.

300.50 GW

non-fossil capacity incl. hydro and nuclear; over 54% of total

As of 31 July 2026

55.29 GW

non-fossil capacity added in FY2025-26, the most in any year

FY2025-26 (29.5 GW in FY2024-25)

USD 3.0 bn

FDI equity into non-conventional energy (USD 24.9 bn since 2000)

FY2025-26; cumulative Apr 2000–Mar 2026

500 GW

non-fossil capacity target for 2030

COP26 commitment

Tenders of 50 GW a year to FY2027-28

Under MNRE's bidding trajectory, SECI, NTPC, NHPC and SJVN issue bids for 50 GW of renewable capacity a year from FY2023-24 to FY2027-28, with at least 10 GW of wind each year.

Storage need of 60.63 GW by 2029-30

CEA estimates that 41.65 GW of battery storage and 18.98 GW of pumped storage will be needed by 2029-30. Viability gap funding and transmission-charge waivers support early projects.

A manufacturing base at scale

ALMM-listed solar module capacity reached about 144 GW a year in 2025, with about 81 GW added that year; about 24 GW of cell capacity was on ALMM List-II by December 2025. Wind turbine capacity was about 24 GW in March 2026.

New areas opened in 2025-26

The SHANTI Act 2025 allows licensed private participation in nuclear power; Budget 2026-27 proposed ₹20,000 crore for CCUS; and floating solar with storage got a ₹5,070 crore scheme in July 2026.

Sources: PIB factsheet on energy, Aug 2026; PIB (MNRE) 29 Dec 2025 and 8 Apr 2026; PIB (MoP) 3 Feb 2026; DPIIT FDI Fact Sheet, March 2026; Invest India, Renewable Energy (retrieved 1 Oct 2026).

WHERE THE OPPORTUNITY IS

Foreign capital is going into six parts of the energy transition



50 GW OF BIDS A YEAR

Utility-scale solar, wind and hybrids

Solar capacity reached 164.59 GW and wind 58.14 GW by 31 July 2026. About 28 GW of additional wind is under implementation, and central agencies tender solar, wind, hybrid and firm and dispatchable (FDRE) projects.



VGF AND ISTS WAIVER

Battery and pumped storage

A second viability gap funding scheme (June 2025) supports 30 GWh of battery storage at up to ₹18 lakh per MWh from ₹5,400 crore. Co-located batteries commissioned by June 2028 get a 12-year ISTS charge waiver; pumped storage awarded by June 2028 is also covered.



MISSION ₹19,744 CRORE

Green hydrogen and ammonia

SIGHT incentives have been awarded for 450,000 tonnes a year of green hydrogen, and SECI discovered prices for 724,000 tonnes a year of green ammonia for fertiliser units. About 8,000 tonnes a year of capacity was commissioned by February 2026.



PLI AND ALMM

Solar, wind and battery equipment

PLI awards cover 48,337 MW of integrated module capacity. ALMM module capacity was about 144 GW a year in 2025 and wind turbine capacity about 24 GW in March 2026. 10 GWh of the ACC battery PLI is earmarked for grid storage.



OPEN ACCESS FROM 100 KW

Rooftop, distributed and C&I supply

Distributed solar added 16.3 GW in FY2025-26, including 8.7 GW of rooftop solar. PM Surya Ghar reached 5.16 million households by 12 August 2026. Consumers with 100 kW or more of contract demand can buy green power through open access.



EARLY STAGE

Nuclear, offshore wind and CCUS

The SHANTI Act 2025 lets licensed Indian companies build nuclear plants; FDI in atomic energy is still prohibited, with an FDI policy under consultation. Offshore wind support (₹7,453 crore for 1 GW, including ports) drew no bids in its 2025 tenders. Budget 2026-27 proposed ₹20,000 crore for CCUS.

Sources: PIB factsheet, Aug 2026; PIB (MNRE) 22 Jun 2025, 29 Dec 2025, 3 Feb and 8 Apr 2026; PIB (MoP) 15 Dec 2025, 3 Feb 2026; PIB (DAE) 1 Apr 2026; RBI, June 2026; Budget speech 2026-27; IMPRI and Swarajya, 2026.

RECENT FOREIGN INVESTMENTS

Global infrastructure investors are building Indian renewable platforms

Selected foreign investments announced in 2024–26, as reported by the sources named. Platform amounts are deployment plans, not completed projects.

INVESTOR (COUNTRY)	WHAT AND WHERE	SIZE	DATE
Brookfield (Canada)	Launched Lumara, a renewable platform starting with more than 6 GW of solar, wind and battery storage projects in India, through its Catalytic Transition Fund	About USD 600 million to be deployed	31 Jul 2026
ALTÉRRRA (UAE) with Brookfield (Canada)	Co-investment in Evren, the Brookfield–Axis Energy platform launched in 2023, to accelerate its 11 GW wind, solar and storage pipeline	USD 100 million	29 Apr 2025
Gentari, Petronas group (Malaysia)	Acquired a 1.6 GW solar and wind portfolio in India from Brookfield in two phases; the first phase, 1 GW of operating assets, is complete	About USD 900 million (reported)	17 Mar 2025
Sembcorp (Singapore)	Completed the 100% acquisition of ReNew Sun Bright, owner of the 300 MW Fatehgarh solar project in Rajasthan; its India capacity installed and under development exceeds 7.6 GW	About SGD 246 million (USD 191.6 million)	26 Dec 2025
TotalEnergies (France)	50% of a 1,150 MW solar joint venture with Adani Green Energy at Khavda, Gujarat	USD 444 million	September 2024

Sources: ESG News, 31 Jul 2026; Deccan Chronicle, Jul 2026; pv magazine, Dec 2025; Power Line, 17 Mar 2025; Legal Business Online, 18 Mar 2025; ESG Today, 29 Apr 2025 (secondary sources).

FDI RULES

Renewables, oil and gas and mining allow 100% FDI; nuclear stays closed

Caps from the Consolidated FDI Policy 2020 as amended, Invest India and MNRE. Sector licences and state approvals apply in every sector, and the land-border rule wherever an owner is from a neighbouring country.

ACTIVITY	CAP AND ROUTE	KEY CONDITIONS
Renewable generation and distribution (solar, wind, hybrids, storage)	100%, automatic	Confirmed by MNRE in Parliament replies in 2026. Sector licences, state approvals and grid access rules still apply.
Other power generation (except atomic energy), transmission, distribution and trading	100%, automatic	Not separately listed in the FDI Policy, which permits up to 100% under the automatic route for activities not listed, subject to applicable laws and regulations.
Power exchanges	49%, automatic	No non-resident investor, including persons acting in concert, may hold more than 5% of the equity (FDI Policy para 5.2.24).
Oil and gas exploration, marketing, pipelines, LNG regasification and private-sector refining	100%, automatic	Subject to the sectoral policy and regulatory framework for oil marketing and the policy on private participation in exploration and in national oil companies' discovered fields.
Petroleum refining by public sector undertakings	49%, automatic	No disinvestment or dilution of domestic equity in the existing PSUs.
Mining and exploration of metal and non-metal ores; coal and lignite	100%, automatic	Titanium-bearing minerals: 100% under the government route. Subject to the mining and coal laws; no FDI in mining of 'prescribed substances' notified by the Department of Atomic Energy.
Atomic energy (nuclear power generation)	Prohibited	The SHANTI Act 2025 (assent 21 December 2025) licenses government and Indian-incorporated companies, subject to AERB safety authorisation. FDI is still prohibited (RBI Master Direction, June 2026); an FDI policy approved by the Atomic Energy Commission was in inter-ministerial consultation in April 2026.
Investors from countries sharing a land border with India	Government route	Applies where such a person is the beneficial owner (PMLA: more than 10%, or control). Up to 10% non-controlling: automatic with prior reporting (Press Note 2 of 2026, effective 2 May 2026). 60-day decision target for up to 49% in listed manufacturing sectors where resident Indians keep majority and control.

Sources: DPIIT Consolidated FDI Policy 2020 and Press Note 2 (2026); RBI Master Direction, June 2026; PIB 16 Mar 2026; PIB (DAE) 1 Apr 2026; Invest India; CMS IndusLaw (Mondaq), Jan 2026; Swarajya, 2026.

REGULATORS AND LICENCES

Projects need a tender award, grid access and listed equipment before supply

No standard timelines apply; timing depends on the tender schedule, land and grid availability.

APPROVAL OR REGISTRATION	AUTHORITY AND PORTAL	WHEN IT IS NEEDED
Tender award and power purchase agreement	SECI, NTPC, NHPC, SJVN or a state utility, under the standard bidding guidelines	Before construction of tendered projects. The PPA follows a power sale agreement (PSA) with a buyer; unsigned PSAs reached 42 GW by late 2025.
Connectivity and General Network Access (GNA)	Central Transmission Utility (CTUIL) under CERC's GNA Regulations, amended in 2025	For projects using the inter-state grid. Where ISTS lines lag, new projects may run on temporary GNA and face curtailment risk.
ALMM enlistment for modules, cells and wind turbines	MNRE: ALMM List-I (modules), List-II (cells) and ALMM-Wind	Covered projects must use listed equipment. List-II was issued on 31 July 2025; the ALMM-Wind procedure (SOP) on 29 October 2025.
BIS registration for modules, inverters and batteries	BIS, under the Solar Systems, Devices and Components Goods Order 2025 (MNRE)	Before covered products are sold or deployed in India.
State registration, land and incentives	State nodal agency (for example RREC in Rajasthan) and land revenue authorities	Register the project and obtain in-principle clearance to claim state incentives; government land is allotted under state rules.
Green energy open access	Distribution licensee and state commission, under the GEOA Rules 2022	For commercial and industrial buyers with contract demand of 100 kW or more.
Nuclear licence and safety authorisation	Central Government licence and AERB safety authorisation (SHANTI Act 2025)	To set up a nuclear facility or to produce, use or dispose of nuclear energy.

Sources: PIB (MNRE) 29 Dec 2025, 3 Feb 2026; PIB 16 Mar 2026; PIB (DAE) 1 Apr 2026; Invest India; Rajasthan Integrated Clean Energy Policy 2024; SBI sector report, Apr 2026.

CENTRAL INCENTIVES (1 OF 3)

Manufacturing and hydrogen incentives are awarded in competitive rounds

Status as of 1 October 2026. Terms are summarised; notified scheme guidelines govern eligibility and payment.

SCHEME	WHAT THE INVESTOR GETS	WHO QUALIFIES	STATUS
PLI for high-efficiency solar PV modules (MNRE)	Output-linked incentive from an outlay of ₹24,000 crore. Awards cover 48,337 MW of fully or partially integrated module capacity; by 31 March 2025 about 17 GW of module, 6 GW of cell and 2 GW of ingot-wafer capacity was producing.	Manufacturers holding letters of award	○ CLOSED: ALL 48,337 MW AWARDED
PLI for advanced chemistry cell (ACC) batteries (MHI)	Incentive for 50 GWh of domestic ACC cell capacity, of which 10 GWh is earmarked for grid-scale stationary storage.	Selected ACC cell manufacturers	40 GWh awarded; 1 GWh built (Jan 2026)
Green hydrogen production incentives (SIGHT, National Green Hydrogen Mission)	Mission outlay ₹19,744 crore; target 5 MMT of green hydrogen a year by 2030. Incentives awarded for 450,000 tonnes a year of production (about ₹2,239 crore).	Selected green hydrogen producers	Awarded (PIB, Dec 2025)
Green ammonia supply (SIGHT)	Long-term supply at prices discovered by SECI for 724,000 tonnes a year of green ammonia for fertiliser units; about ₹1,534 crore allocated.	Green ammonia producers selected by SECI	Prices discovered (PIB, Dec 2025)
Green Hydrogen Certification Scheme and testing facilities	Certification of green hydrogen (launched April 2025); 128 standards published; five testing-facility projects sanctioned for about ₹114 crore.	Producers seeking certification; testing labs	● CERTIFICATION LIVE SINCE APR 2025
Critical minerals: rare earth magnets and corridors	Sintered Rare Earth Permanent Magnets scheme (₹7,280 crore): bids closed 12 August 2026, 20 received; Budget 2026-27 proposed rare-earth corridors in Odisha, Kerala, Andhra Pradesh and Tamil Nadu for mining, processing, research and manufacturing.	Magnet makers; projects in the four states	○ CORRIDORS PROPOSED 1 FEB 2026

● **OPEN** available or accepting applications
 ● **CLOSING** a stated window or period ends on the date shown
 ○ **CLOSED** no new applicants
 ○ **ANNOUNCED** announced or approved; check operating guidelines

Sources: PIB (MNRE) 22 Jun 2025 and 29 Dec 2025; PIB (MoP) 15 Dec 2025, 3 Feb 2026; PIB factsheet, Aug 2026; Budget speech 2026-27.

CENTRAL INCENTIVES (2 OF 3)

Storage, offshore wind and rooftop solar receive capital support

Viability gap funding is paid to projects selected in tenders; amounts below are scheme ceilings.

SCHEME	WHAT THE INVESTOR GETS	WHO QUALIFIES	STATUS
Viability gap funding for battery storage, first scheme (MoP)	₹3,760 crore for 13,220 MWh, at up to ₹27 lakh per MWh.	BESS projects selected in tenders	13.22 GWh under implementation
Viability gap funding for battery storage, second scheme (MoP)	30 GWh at up to ₹18 lakh per MWh, funded with ₹5,400 crore from the Power System Development Fund.	BESS projects selected in tenders	Approved June 2025
Viability gap funding for offshore wind	₹7,453 crore in all: ₹6,853 crore of VGF for the first 1 GW (500 MW each off Gujarat and Tamil Nadu) and ₹600 crore to upgrade two ports.	Developers of the supported offshore projects	Both tenders cancelled Aug 2025 (no bids)
PM Surya Ghar: Muft Bijli Yojana (rooftop solar)	Outlay ₹75,021 crore for rooftop solar on 10 million homes by FY2026-27; 5.16 million households benefiting by 12 August 2026. Drives demand for installers and module makers.	Residential consumers; registered vendors	● OPEN; HOUSEHOLD TARGET FY2026-27
PM Surya Sarovar Yojana (floating solar with storage)	₹5,070 crore for 5,000 MW of floating solar with co-located storage of at least two hours (10,000 MWh); projects to be sanctioned FY2026-27 to FY2030-31.	Floating solar projects with storage	○ APPROVED 31 JULY 2026
Solar Parks and Ultra Mega Solar Power Projects	Land and transmission provided to developers at park sites; about 3,084 MW commissioned in solar parks in 2025.	Developers allotted park capacity	3,084 MW added in 2025

● **OPEN** available or accepting applications
 ● **CLOSING** a stated window or period ends on the date shown
 ○ **CLOSED** no new applicants
 ○ **ANNOUNCED** announced or approved; check operating guidelines

Sources: PIB (MoP) 15 Dec 2025, 3 Feb 2026; PIB 16 Mar 2026; PIB factsheet, Aug 2026; PIB (MNRE) 29 Dec 2025; IMPRI, 30 Aug 2026.

CENTRAL INCENTIVES (3 OF 3)

Waivers, consumption mandates and new missions support offtake

Regulatory incentives apply automatically where conditions are met; mission funding is announced or approved as dated.

SCHEME	WHAT THE INVESTOR GETS	WHO QUALIFIES	STATUS
Inter-state transmission (ISTS) charge waiver	100% for solar and wind commissioned by 30 June 2025, tapering 25% a year to June 2028; also co-located BESS (June 2028), pumped storage awarded by June 2028, green hydrogen (December 2030) and offshore wind (December 2032).	Projects selling power inter-state	50% if commissioned Jul 2026–Jun 2027
Renewable Consumption Obligation (RCO)	Trajectory notified to 2029-30 for designated consumers under the Energy Conservation Act 2001, with penalties for non-compliance; includes a distributed renewable component.	Designated consumers (creates demand)	Notified to 2029-30
Green Energy Open Access Rules 2022	Consumers with contract demand of 100 kW or more, through single or aggregated connections, may buy green power through open access.	C&I consumers and their suppliers	● IN FORCE SINCE 6 JUNE 2022
Nuclear Energy Mission (small modular reactors)	₹20,000 crore for design, development and deployment of small modular reactors; national goal of 100 GW of nuclear capacity by 2047.	Indigenous SMR programme (at least five SMRs by 2033)	○ ANNOUNCED IN BUDGET 2025-26
Carbon capture, utilisation and storage (CCUS)	Budget 2026-27 proposed ₹20,000 crore over five years for CCUS in power, steel, cement, refineries and chemicals, aligned with the December 2025 roadmap.	Projects in the five sectors	○ PROPOSED 1 FEB 2026
Samudra Manthan – National Offshore Exploration Scheme	₹84,084 crore for seismic surveys, deepwater exploratory drilling and offshore production and evacuation infrastructure.	Offshore oil and gas exploration	○ APPROVED 31 JULY 2026

● **OPEN** available or accepting applications
 ● **CLOSING** a stated window or period ends on the date shown
 ○ **CLOSED** no new applicants
 ○ **ANNOUNCED** announced or approved; check operating guidelines

Sources: PIB 16 Mar 2026; PIB (MNRE) 3 Feb 2026; PIB (DAE) backgrounder 19 Dec 2025; PIB factsheet, Aug 2026; Budget speech 2026-27.

TAX, CUSTOMS AND ZONES

GST on clean-energy equipment fell to 5% and Budget 2026-27 adds duty relief

Budget 2026-27 measures are shown as proposed unless enacted or notified. General corporate tax is covered in the tax section.



FROM 22 SEP 2025

GST of 5% on renewable energy devices

GST on renewable energy devices and parts for their manufacture, including solar power generators and devices and wind-operated electricity generators, was cut from 12% to 5% with effect from 22 September 2025.



BUDGET 2026-27

Customs relief for storage and solar glass

In force from 2 February 2026: the basic customs duty exemption on capital goods for making lithium-ion cells extended to cells for battery energy storage systems, and duty on sodium antimonate for solar glass cut from 7.5% to nil.



BUDGET 2026-27

Nuclear and critical-mineral imports

In force from 2 February 2026: nil basic customs duty on goods for nuclear power projects of any capacity registered with customs by 30 September 2035. Also announced: an exemption for capital goods used to process critical minerals in India.



BUDGET 2026-27

Biogas and critical-mineral exploration

Enacted in the Finance Act 2026: expenditure on prospecting for listed critical minerals is deductible (Schedule XII). Announced: the value of biogas excluded from central excise on biogas-blended CNG.



INCOME TAX

No 15% rate for new projects

The 15% regime for new manufacturing companies is closed to companies starting production after 31 March 2024. New generation and equipment companies typically pay 25.168% effective under the concessional regime (s.200).



ECB, FEB 2026

Easier foreign borrowing for projects

RBI's February 2026 ECB rules allow ECB up to the higher of USD 1 billion outstanding or total borrowings of 300% of net worth, with a 3-year minimum average maturity; the cost ceiling is removed for ECBs of three years or more.

Sources: PIB (56th GST Council), Sept 2025; Budget speech, annex and memorandum 2026-27; Finance Act 2026; RBI notification of 9 Feb 2026 (ECB).

STATE INCENTIVES

States add duty waivers, land and capital subsidies to central support

Rajasthan and Uttar Pradesh rows come from clean-energy policies; Tamil Nadu, Maharashtra and Karnataka rows are general industrial policies, shown for equipment manufacturing. Incentives are ceilings set by each policy and depend on eligibility, category and approvals.

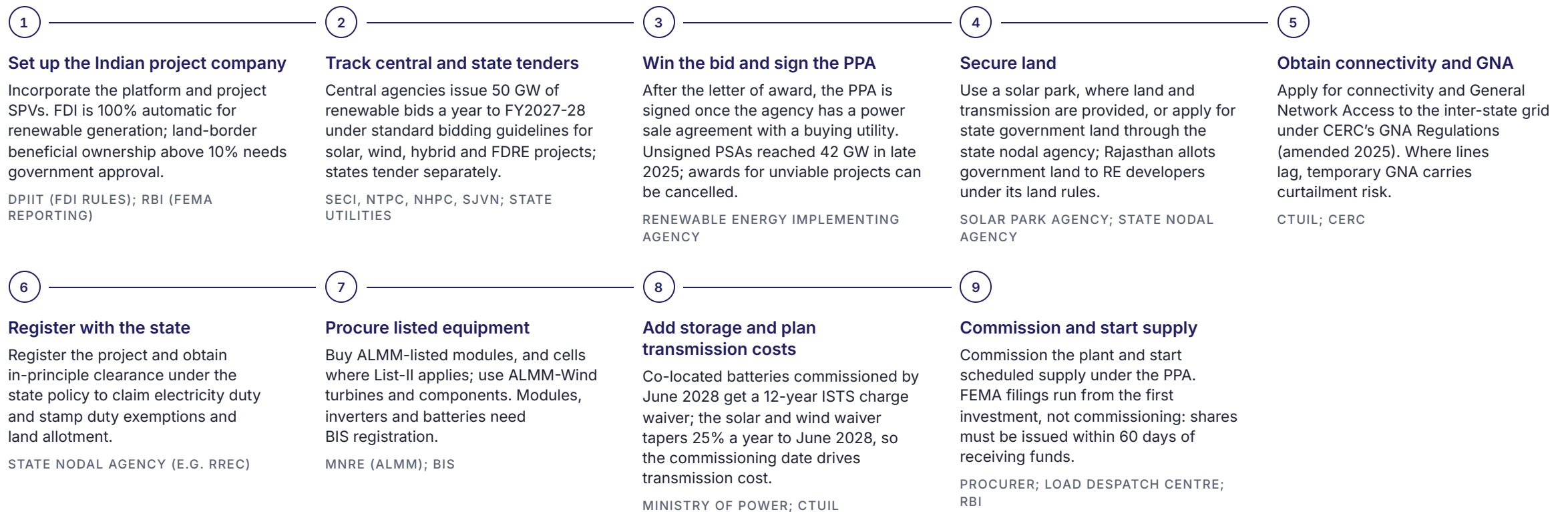
STATE	POLICY AND VALIDITY	HEADLINE INCENTIVES
Rajasthan	Rajasthan Integrated Clean Energy Policy 2024; target of 125 GW of renewable power by 2029-30	For RE units: 100% electricity duty exemption for 7 years; 75% stamp duty exemption plus 25% reimbursement; government land allotted through the state nodal agency (RREC).
Uttar Pradesh	UP Green Hydrogen Policy 2024; valid for five years	One of three incentive options. Capital subsidy option: 10% to 30% of eligible capital investment (ECI) by region and project size, paid in annual instalments (limits ₹5 crore to ₹150 crore a year); the first five Super Mega and Ultra Mega green hydrogen or ammonia projects outside Meerut Division can get 35% or 40% of ECI.
Tamil Nadu	Tamil Nadu Industrial Policy 2021 (equipment manufacturing)	Option of 100% SGST reimbursement for 15 years on products made and sold in the state; SIPCOT land at a 10% concession (A and B districts) or 50% (C districts); electricity tax exemption for 5 years.
Maharashtra	Industry, Investment and Services Policy 2025, five years from notification; thrust sectors include solar panel, module and cell, and lithium battery and cell manufacturing	Investment Promotion Subsidy on 100% of gross SGST on first sales within the state for eligible MSMEs and Special LSI units; six Ultra Mega Industrial Parks of at least 5,000 acres each.
Karnataka	Karnataka Industrial Policy 2025-30: five years from 8 February 2025 (equipment manufacturing)	Large, mega and ultra-mega projects: capital subsidy of 10% to 25% of fixed capital investment by zone, or a production-linked incentive of 1.0% to 2.5% of net sales turnover for 7 years; 100% stamp duty exemption for eligible projects.

Sources: Rajasthan Integrated Clean Energy Policy 2024; UP Green Hydrogen Policy 2024; Tamil Nadu Single Window Portal; Maharashtra IISP 2025; Karnataka Industrial Policy 2025-30 (Grant Thornton summary); Invest India state pages.

SET-UP ROADMAP

From entry decision to commercial operation of a utility-scale project

For a solar, wind or hybrid developer bidding in central or state tenders. A C&I open-access project contracts directly with consumers of 100 kW or more instead of bidding; an equipment plant follows ALMM, BIS and state-incentive steps.



Sources: PIB (MNRE) Feb 2026; PIB 16 Mar 2026; PIB (MoP) 15 Dec 2025; Invest India; Rajasthan Integrated Clean Energy Policy 2024; SBI sector report, Apr 2026; DPIIT Press Note 2 (2026); RBI FEMA 395/2019-RB.

WHAT TO WATCH

Grid access, contract signing and equipment rules drive most project risk

Compliance watch-outs

Power sale agreements lag awards

Unsigned PSAs reached 42 GW by late 2025 and letters of award for unviable projects may be cancelled. Confirm the PSA before ordering equipment.

Curtailment where the grid lags

CRISIL, cited by SBI (April 2026), sees over 35 GW of renewable capacity at severe curtailment risk in FY2027 as projects rely on temporary GNA.

ISTS waiver depends on dates

Solar and wind commissioned after 30 June 2025 get a reduced waiver, tapering 25% a year to June 2028. Price transmission charges into bids.

ALMM lists for cells and wind

ALMM List-II (cells) was issued on 31 July 2025, and ALMM-Wind covers turbine components such as blades, towers, generators and gearboxes. Check which list each tender requires.

Land-border ownership

Beneficial ownership above 10%, or control, by a person from a land-border country needs government approval (Press Note 2 of 2026).

Nuclear remains closed to FDI

SHANTI Act licences go to companies incorporated in India, and FDI in atomic energy is still prohibited (RBI, June 2026); an FDI policy is in inter-ministerial consultation.

What changed since 2025

22 Sep 2025: GST on RE devices cut to 5%

GST on renewable energy devices and parts for their manufacture fell from 12% to 5%.

21 Dec 2025: SHANTI Act receives assent

Private participation in nuclear power allowed under a central licence and AERB authorisation; nuclear liability aligned with the international regime.

1 Feb 2026: Budget 2026-27

Proposed ₹20,000 crore for CCUS over five years and rare-earth corridors in four states; customs exemptions for BESS cell machinery and solar-glass input took effect on 2 February.

31 Mar 2026: record FY2025-26 additions

Non-fossil capacity rose by 55.29 GW in FY2025-26, including a record 6.05 GW of wind, to 283.46 GW.

31 Jul 2026: new solar and offshore schemes

Approval of PM Surya Sarovar Yojana (₹5,070 crore, floating solar with storage) and Samudra Manthan (₹84,084 crore, offshore exploration).

31 Jul 2026: 300 GW of non-fossil capacity

Non-fossil capacity reached 300.50 GW, over 54% of installed capacity. Brookfield launched Lumara, planning to deploy about USD 600 million, the same day.

Sources: SBI sector report, Apr 2026 (secondary); PIB 16 Mar 2026; PIB (MNRE) 29 Dec 2025, 8 Apr 2026; PIB (DAE) 1 Apr 2026; PIB factsheet, Aug 2026; Budget speech 2026-27; ESG News, 31 Jul 2026; Swarajya, 2026.

COMPANY SET-UP · ENTRY VEHICLES

Most investors use a private limited subsidiary; offices serve narrow aims

A company or LLP is an Indian resident entity. Branch, liaison and project offices are extensions of the foreign parent, opened through an authorised dealer bank under RBI rules.

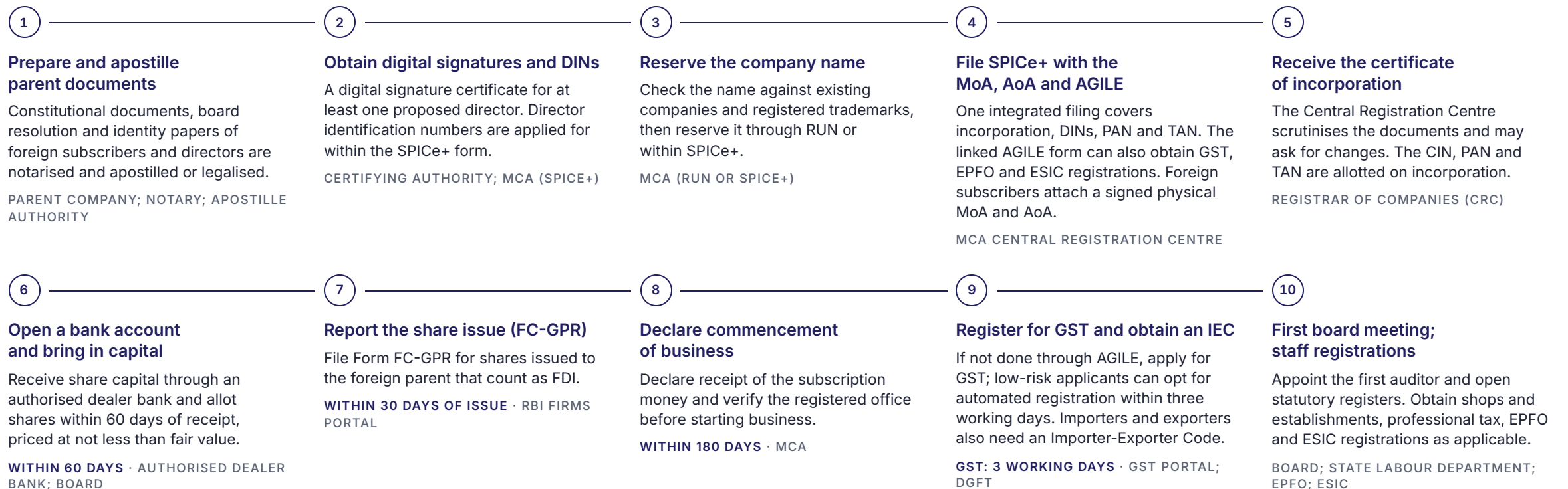
VEHICLE	WHAT IT MAY DO	APPROVAL NEEDED	SUITS
Wholly owned subsidiary (private limited company)	Any lawful business within its objects and the FDI policy. At least 2 shareholders (up to 200) and 2 directors, one meeting the 182-day residence test.	None on the automatic route without a land-border owner; else government route. Incorporated with the Registrar through SPICe+.	Operating businesses that want full control and limited liability.
Joint venture company	As a subsidiary, with an Indian partner; caps and conditions apply to the total foreign stake.	As for the sector. Land-border investors taking up to 49% in a fast-track sector, where resident Indians keep majority ownership and control, have a 60-day decision target.	Capped sectors, or where a partner brings licences, land or customers.
Limited liability partnership (LLP)	Business with partnership-style governance and limited liability; at least 2 designated partners, one resident. LLP agreement filed within 30 days.	Automatic route only in sectors fully open under the automatic route with no FDI-linked performance conditions.	Service businesses in fully open sectors.
Branch office	Activities RBI permits for branches, such as export and import, consultancy and research on behalf of the parent.	Authorised dealer bank; parent needs a sound financial track record. RBI approval in specified cases, such as defence or telecom.	Serving Indian clients directly without a subsidiary.
Liaison office	Represents the parent in India; may not carry on business. Valid generally for three years.	Authorised dealer bank, with the same track-record test and RBI referral cases as a branch.	Market study and relationship building before committing capital.
Project office	Executes a specific contract in India; valid for the tenure of the project.	Authorised dealer bank under RBI's project office rules.	Contractors delivering a defined Indian project.
No entity yet: distributor or employer of record	Sell through an Indian distributor or importer; engage staff through a third-party employer of record.	None for the foreign company itself.	Testing demand; review tax and contract exposure first.

Sources: Invest India, Doing Business in India 2025-26 and Legal and Regulatory Framework (Dec 2025); RBI Master Direction on branch, liaison and project offices; DPIIT SOP, 4 May 2026.

COMPANY SET-UP · INCORPORATION

From decision to first invoice: ten steps for a foreign-owned company

The sequence for a private limited subsidiary in an automatic-route sector. Times are shown only where a rule fixes them; state registrations depend on location and activity.



Sources: Invest India, Doing Business in India 2025-26; RBI FEMA 395 Regulations; RBI Master Direction, Jun 2026; Tribune/ANI and KPMG on GST registration (secondary).

TAX AT A GLANCE (1 OF 2)

A foreign-owned company can pay 25.168%; a branch pays 36.40–38.22%

Rates for tax year 2026-27, the first year under the Income-tax Act 2025, which replaced the 1961 Act from 1 April 2026. Effective rates add surcharge and the 4% health and education cess. Treaty rates can be lower where treaty conditions are met.

TAX	RATE OR RULE	NOTE
Corporate tax: concessional regime (s.200)	22% + 10% surcharge + 4% cess = 25.168% effective, whatever the level of income	Optional for any Indian company, including a foreign-owned subsidiary. Most deductions and exemptions are given up; MAT does not apply.
Corporate tax: normal regime	30%, or 25% if turnover in FY2024-25 was up to ₹400 crore. Surcharge 7% on income above ₹1 crore, 12% above ₹10 crore; 4% cess	Top effective rate 34.944% (30% band). Deductions and incentives remain available, but MAT applies.
Foreign company: branch or permanent establishment	35% on income other than special-rate income. Surcharge 2% on income above ₹1 crore, 5% above ₹10 crore; 4% cess	Effective 36.40% (income up to ₹1 crore), 37.128% (₹1–10 crore), 38.22% (above ₹10 crore).
Minimum alternate tax (MAT, s.206)	14% of book profit (was 15%) from tax year 2026-27; a final tax for companies in the old regime, with no new MAT credit	Credit built up to 31 March 2026 is usable only after moving to the new regime, up to 25% of the year's tax (domestic companies).
15% regime for new manufacturing companies (s.201)	Closed to new entrants: only companies that began manufacturing or production by 31 March 2024 qualify	Budget 2026-27 left corporate tax rates unchanged (only the MAT rate was cut) and added no replacement regime; new manufacturers compare s.200 with the normal regime.
Dividends paid to a non-resident parent	20% withholding under domestic law, plus surcharge and cess	Taxed in the shareholder's hands. Treaties can reduce withholding on dividends, interest, royalties and technical fees, subject to treaty conditions.

Effective rate = base rate × (1 + surcharge) × 1.04.

Sources: Finance Act 2026 (No. 4 of 2026); Budget 2026-27 speech and memorandum (1 Feb 2026); BDO and RSM on the Finance Act 2026; PIB, 56th GST Council (3 Sep 2025) and safe harbour (1 Feb 2026); CLC Law and Aurtus on the 2026 rules.

TAX AT A GLANCE (2 OF 2)

Withholding, capital gains, buy-backs, GST and transfer pricing in brief

Domestic-law rates for tax year 2026-27, before surcharge and cess unless stated. The applicable treaty may reduce withholding where its conditions are met.

TAX	RATE OR RULE	NOTE
Royalties and fees for technical services	20% on payments to a foreign company, plus surcharge and cess	A lower treaty rate may apply, subject to treaty conditions.
Capital gains of non-residents: listed shares	Short-term (s.196): 20%. Long-term (s.198): 12.5% on gains above ₹1.25 lakh	Plus surcharge and cess. Treaty exemptions are open to challenge under GAAR (Tiger Global, January 2026).
Capital gains of non-residents: unlisted shares	Long-term: 12.5%. Short-term: at the rate for other income, 35% for a foreign company	Plus surcharge and cess; treaty relief subject to treaty conditions.
Share buy-backs	Taxed as capital gains in the shareholder's hands from 1 April 2026, no longer as dividend	Promoters pay an additional tax on buy-backs under s.68 of the Companies Act 2013. It takes long-term gains, and short-term gains on listed shares, to 22% where the promoter is an Indian company and 30% for any other promoter, including a foreign parent (before surcharge and cess).
GST (from 22 September 2025)	Two main rates, 5% (merit) and 18% (standard), plus 40% for a select few goods and services	Approved by the 56th GST Council on 3 September 2025. Tobacco products were initially kept on earlier rates and compensation cess.
Transfer-pricing safe harbour: IT services	15.5% operating margin on cost for software, ITeS, KPO and contract R&D, for taxpayers within the ₹2,000 crore eligibility threshold (raised from ₹300 crore)	Budget 2026-27; notified with the 2026 rules. Approval is automated and the option can run for five years.

Withholding rates are domestic-law rates for tax year 2026-27; the applicable treaty may reduce them.

Sources: Finance Act 2026 (No. 4 of 2026); Budget 2026-27 speech and memorandum (1 Feb 2026); BDO and RSM on the Finance Act 2026; PIB, 56th GST Council (3 Sep 2025) and safe harbour (1 Feb 2026); CLC Law and Aurtus on the 2026 rules.

HOW IMC GROUP HELPS

One team for energy investors, from the entry decision to steady state

IMC Group works from Chennai, Dubai and Singapore as a member firm of Andersen Global. The same team structures the investment, sets up the entity and keeps it compliant.

What we do in energy and renewables

Project entities

Project entity set-up and SPV structuring for renewables.

Scheme advisory

Green-hydrogen, storage and solar-manufacturing scheme advisory.

Incentive structuring

Viability-gap funding and incentive structuring.

Financing compliance

FEMA, ECB and project-finance compliance.

Regulatory advisory

Power-purchase and infrastructure regulatory advisory.

How an engagement runs

Assess

Market-entry strategy and business case, entry vehicle and holding structure, incentive and location screening.

Establish

Entity incorporation and registrations, FDI structuring, FEMA and RBI filings, licences and incentive applications.

Operate

Accounting, tax and transfer pricing, payroll and labour-law compliance, company secretarial and FEMA reporting.

Scale

Global capability centres, M&A and joint ventures, new locations, global mobility and expatriate tax.

Source: IMC Group.

REFERENCE

Sources

Invest India. Doing Business in India: Investor's Guide 2025-26, 2025. https://static.investindia.gov.in/s3fs-public/2025-10/doing_business_in_india_investor_s_guide_at_a_glance_2025-26.pdf

Invest India. Navigating India's Legal and Regulatory Framework, December 2025. https://static.investindia.gov.in/s3fs-public/2025-12/navigating_india_s_legal_and_regulatory_framework.pdf

DPIIT (Foreign Investment Facilitation Portal). Standard Operating Procedure for Processing FDI Proposals, 4 May 2026. <https://fifp.gov.in/Forms/SOP.pdf>

Reserve Bank of India. Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 (FEMA 395), 17 October 2019. <https://www RBI.org.in/Scripts/NotificationUser.aspx?Id=11723&Mode=0>

Reserve Bank of India. Master Direction – Establishment of Branch Office, Liaison Office and Project Office in India, as updated. <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10398&Mode=0>

KPMG India (secondary). Recommendations of the 56th GST Council meeting, September 2025. <https://www.in.kpmg.com/taxflashnews/KPMG-Flash-News-Recommendations-of-56th-GST-Council-meeting.pdf>

The Tribune / ANI (secondary). Low-risk businesses to get GST registration within 3 days from 1 November, 23 September 2025. <https://www.tribuneindia.com/news/cbicc/ome-nov-1-small-low-risk-businesses-will-get-gst-registration-approval-within-3-days>

Ministry of Finance, Government of India. Budget Speech 2026-27, 1 Feb 2026. https://www.indiabudget.gov.in/doc/budget_speech.pdf

Ministry of Finance, Government of India. Memorandum explaining the provisions in the Finance Bill, 2026, 1 Feb 2026. <https://www.indiabudget.gov.in/doc/memo.pdf>

BDO India. Key amendments to the Finance Bill 2026 as passed by Lok Sabha, 27 Mar 2026. <https://www.bdo.in/en-gb/insights/alerts-updates/direct-tax-alert-key-amendments-to-the-finance-bill-2026-as-passed-by-lok-sabha>

RSM India. Key Amendments in the Finance Act, 2026 vis-à-vis the Finance Bill, 2026, 2026. <https://www.rsm.global/india/insights/rsm-india-newsflash-key-amendments-finance-act-2026-vis-vis-finance-bill-2026>

KPMG TaxNewsFlash. India: GAAR applied to deny capital gains exemption under Mauritius treaty, 20 Jan 2026. <https://kpmg.com/us/en/taxnewsflash/news/2026/01/tnf-india-gaar-applied-to-deny-capital-gains-exemption-for-indirect-share-transfer-under-mauritius-treaty-supreme-court-decision.html>

Khaitan & Co. SC denies India-Mauritius tax treaty benefit for Tiger Global, 16 Jan 2026. <https://www.khaitanco.com/thought-leadership/SC-denies-India-Mauritius-tax-treaty-benefit-for-Tiger-Global-rejects-grandfathering-protection-under-GAAR>

Aurtus. Transfer pricing alert: safe harbour rules, Feb 2026. https://static1.squarespace.com/static/602be9735116c32c97e7ff22/t/699fcbc734bc061346699c4a/1772080071848/Aurtus_Transfer+Pricing+Alert_Safe+Harbour+Rules.pdf

CLC Law. Safe harbour, APA and transfer pricing under the Income-tax Rules 2026, 2026. <https://www.clclaw.in/blog/safe-harbour-apa-and-transfer-pricing-under-new-income-tax-rules-2026-june-30-compliance-deadline>

Government of India (Gazette). Finance Act, 2026 (No. 4 of 2026), 30 Mar 2026. <https://www.incometaxindia.gov.in/documents/d/guest/finance-act-2026-pdf-1>

PIB. Safe harbour for IT services: Budget 2026-27 release, 1 Feb 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2221428>

PIB. India's Energy Journey: Expanding Capacity, Strengthening Security (factsheet), Aug 2026. <https://www.pib.gov.in/FactsheetDetails.aspx?Id=150868>

PIB (MNRE). India Ranks third globally in Renewable Energy Installed Capacity, 8 Apr 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2250039>

PIB (MNRE). 2025 Marks Highest-Ever Renewable Energy Expansion (year-end review), 29 Dec 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2209478>

PIB. Energy Transition and Renewable Capacity (Parliament reply), 16 Mar 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2240737>

PIB (MNRE). Government Strengthening Global Partnerships to Advance Renewable Energy, Storage and Grid Integration, 3 Feb 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222475>

PIB (MoP). Government Takes Multi-Pronged Steps to Scale Up Energy Storage Capacity, 3 Feb 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222473>

PIB (MoP). Per kWh Cost of Battery Energy Storage System Falls Steeply, 15 Dec 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2204118>

PIB. Press note on renewable energy schemes, 22 Jun 2025. <https://www.pib.gov.in/PressNoteDetails.aspx?NotId=154717&ModuleId=3>

PIB (DAE). Parliament Question: Nuclear Energy Sector, 1 Apr 2026. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2247971>

PIB. The SHANTI Bill, 2025 (backgrounder), 19 Dec 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2206598>

CMS IndusLaw (Mondaq). SHANTI Act, 2025: Nuclear Power Projects – Relevance for Private Stakeholders, 7 Jan 2026. <https://www.mondaq.com/india/oil-gas-electricity/1727558/shanti-act-2025-nuclear-power-projects-relevance-for-private-stakeholders>

State Bank of India. Renewables sector in India – Sector Report, Apr 2026. <https://sbi.bank.in/documents/57189647/58231607/Sector+Report+Renewables.pdf>

Invest India. Renewable Energy sector page, retrieved 1 Oct 2026. <https://www.investindia.gov.in/sector/renewable-energy>

REFERENCE (CONTINUED)

Sources

Government of Rajasthan (via Invest India). Rajasthan Integrated Clean Energy Policy 2024, 2024. https://static.investindia.gov.in/s3fs-public/2024-12/rajasthan_integrated_clean_energy_policy_2024.pdf

Government of Uttar Pradesh (via Invest India). Uttar Pradesh Green Hydrogen Policy 2024, 2024. https://static.investindia.gov.in/s3fs-public/2024-09/uttar_pradesh_green_hydrogen_policy_2024.pdf

ESG News. Brookfield Launches \$600M Clean Energy Platform in India, 31 Jul 2026. <https://esgnews.com/brookfield-launches-600m-clean-energy-platform-in-india/>

Deccan Chronicle. Brookfield Unveils Lumara, Eyes \$600 Million Renewable Energy Push in India, Jul 2026. <https://www.deccanchronicle.com/business/in-other-news/brookfield-launches-lumara-a-renewable-energy-platform-targeting-600-million-deployment-in-india-1975845>

ESG Today. ALTERRA, Brookfield Invest \$100 Million in Indian Renewable Energy Platform Evren, 29 Apr 2025. <https://www.esgtoday.com/alterra-brookfield-invest-100-million-in-indian-renewable-energy-platform-evren/>

DPIIT. FDI Fact Sheet, March 2026, 2026. <https://www.dpiit.gov.in/static/uploads/2026/06/41192ca92c1de34eb064800fbfa0379.pdf>

RBI. Master Direction – Foreign Investment in India (updated June 2026), Jun 2026. https://www.rbi.org.in/Scripts/BS_ViewMasDirections.aspx?id=11200

DPIIT. Consolidated FDI Policy 2020, 15 Oct 2020. <https://www.dpiit.gov.in/static/uploads/2025/07/6457fc2703ee6082366c4a958b6473a8.pdf>

PIB (Ministry of Finance). 56th GST Council recommendations, 3 Sep 2025. <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2163555>

Tamil Nadu Single Window Portal. Tamil Nadu Industrial Policy 2021 incentives, retrieved 2026. <https://tnswp.com/DIGI/GOV/TN-pages/industrial-policy.jsp?pagedisp=static>

DPIIT. Press Note 2 (2026 Series), 15 Mar 2026. <https://www.dpiit.gov.in/static/uploads/2026/03/b9da5830b052c2f2d788593e97d07c63.pdf>

Government of Maharashtra. Industry, Investment and Services Policy 2025, 2025. <https://static.investindia.gov.in/s3fs-public/2026-04/maharashtrairdustriesinvestmentandservicespolicy2025-gr-31122025.pdf>

Grant Thornton Bharat. Karnataka Industrial Policy 2025-30 summary, 2025. https://www.grantthornton.in/globalassets/1.-member-firms/india/assets/pdfs/alerts/government_of_karnataka_announces_the_karnataka_industrial_policy_2025_30.pdf

pv magazine. Sembcorp completes acquisition of 300 MW solar project in India, Dec 2025. <https://www.pv-magazine.com/2025/12/26/sembcorp-completes-acquisition-of-300-mw-solar-project-in-india/>

Power Line. Gentari acquires 1.6 GW renewable portfolio from Brookfield in India, 17 Mar 2025. <https://powerline.net.in/2025/03/17/gentari-acquires-1-6-gw-renewable-portfolio-from-brookfield-in-india/>

pv magazine India. Adani Green, TotalEnergies sign 1,150 MW joint venture agreement, 28 Sep 2024. <https://www.pv-magazine-india.com/2024/09/28/adani-green-totalenergies-sign-1150-mw-ac-joint-venture-agreement/>

Swarajya (via Dailyhunt). India moves closer to opening nuclear power sector to foreign investment as Atomic Energy Commission clears FDI policy: report, 2026. <https://m.dailyhunt.in/news/india/english/swarajya-epaper-swrajya/india+moves+closer+to+opening+nuclear+power+sector+to+foreign+investment+as+atomic+energy+commission+clears+fdi+policy+report-newsid-n709020003>

IMPRI. Offshore Wind VGF Scheme: from zero bids to a second attempt, 30 Aug 2026. <https://www.impriindia.com/insights/policy-update/offshore-wind-vgf-scheme/>

Legal Business Online. Trilegal, CAM advise on \$900 mln Brookfield-Gentari deal amid renewable M&A surge, 18 Mar 2025. <https://www.legalbusinessonline.com/deals/trilegal-cam-advise-900-mln-brookfield-gentari-deal-amid-renewable-ma-surge>

pv magazine India. Union Budget 2026-27 removes customs duty on solar glass inputs, lithium battery cell machinery and critical minerals processing equipment, 2 Feb 2026. <https://www.pv-magazine-india.com/2026/02/02/indias-union-budget-2026-27-removes-import-duties-on-solar-glass-inputs-lithium-battery-cell-machinery-and-critical-minerals-processing-equipment/>

DISCLAIMER This publication is for general information only. It summarises laws, policies and schemes as of 1 October 2026; these change frequently and are subject to conditions and notifications not reproduced here. It is not legal, tax or investment advice. Statistics are quoted from the sources listed and have not been independently audited by IMC Group. Invest India is the Government of India's national investment promotion and facilitation agency; IMC Group is not affiliated with it. Please take specific advice before acting.



A Member Firm of Andersen Global

Let's build your India story.

Whatever your industry, we will map your entry, structure your investment and walk the path with you.



WEB www.intuitconsultancy.com EMAIL connect@intuitconsultancy.com

Chennai
3rd Floor, 6/1 Pycrofts Garden Road, Chennai
600006, India

Dubai
Office 303, NBQ Building, Khalid Bin Al Waleed
Road, Bur Dubai, UAE

Singapore
143 Cecil Street, #25-04B GB Building,
Singapore 069542

