

## **GREEN FINANCING IN INDIA: REGULATORY ARCHITECTURE, MARKET DEVELOPMENT, AND CLIMATE TRANSITION**

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### **ABSTRACT**

*Green financing has emerged as one of the most important policy instruments through which developing economies can pursue climate mitigation, adaptation, and sustainable development without abandoning growth imperatives. In India, the case for green finance is especially compelling. The country faces a dual challenge: it must continue to industrialize, urbanize, and expand energy access while also responding to climate vulnerability and international decarbonization pressures. This Paper argues that India's green finance architecture is real but incomplete: the market has expanded in volume and regulatory sophistication, yet it remains far below the scale required to meet India's climate commitments and developmental needs.*

*The paper proceeds in five parts. First, it explains the concept of green finance and why it has acquired particular significance in India. Secondly, it reviews the scale of India's financing gap and the structural role of green capital in meeting climate and infrastructure goals. Thirdly, it analyzes the institutional and regulatory architecture, focusing on the Ministry of Finance, the Reserve Bank of India, and the Securities and Exchange Board of India. Fourthly, it surveys the principal instruments—especially green bonds, public finance, concessional finance, and emerging sovereign instruments. Finally, it identifies key impediments, including an underdeveloped bond market, information asymmetries, regulatory fragmentation, lack of taxonomy, and weak project pipelines. The paper concludes that India has laid the foundations of a green finance ecosystem, but its next phase must prioritize standardization, credibility, depth, and scale.*

**KEYWORDS:** *Green Finance, Climate Finance, Green Bonds, Sovereign Green Bonds, Sustainable Finance, Climate Transition, Financial Regulation, Green Taxonomy, ESG Disclosure, India.*

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