TATTVA MERIDIAN
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PERSPECTIVES

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Capital Follows Structure, Not Ambition

Making the Energy & Resources Transition Financeable

A Tattva Meridian Point of View

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About This Series

Tattva Meridian Perspectives examine a single question: how leaders should allocate capital and make strategic choices when technologies, markets, and institutions are all in flux at once. Each volume takes one sector at the centre of the Energy & Resources transition and asks what it would take to turn ambition there into something capital can actually underwrite.

The series publishes its diagnosis in full - the frameworks, the questions, the way of reading a problem. The prescription that follows in any specific case - the structuring that makes a particular project bankable - is the work of engagement. This is not a withholding so much as a recognition that the valuable answer is always project-specific, and cannot be written in the abstract.

This volume, the first, sets out the lens the series will apply everywhere else.

The Argument in Brief

AT A GLANCE

- *An energy and resources transition that depends on building new classes of asset — which the financing systems built for known assets cannot yet underwrite.*
- *A binding constraint that is neither capital nor technology, but whether these assets can be financed at all.*
- *One organising idea: capital follows structure, not ambition.*

India's energy and resources transition asks the country to build asset classes it has not built before: markets for stored carbon, supply chains for critical minerals, cleaner industrial feedstocks, and the grids & infrastructure that move them. These are not upgrades to familiar businesses. They are new classes of assets - and a financing system built for known asset classes cannot yet finance them.

The gap between an asset that exists and one a bank can finance is the subject of this paper. In energy and resources it is, we will argue, the binding constraint on the transition - tighter than the supply of capital, tighter than the state of technology. Closing it is a particular kind of work, and it is the work this series is about.

I. A Pipeline of Intent

India has rarely been better funded for its energy and resources transition, and rarely less able to deploy that funding.

The commitments of early 2026 - the budget lines, the sanctioned missions, the institutional mandates - are real money and real intent, at a scale hard to imagine a few years ago. The direction of travel is no longer in doubt. What has not kept pace is the machinery to absorb them.

A pipeline of intent is not yet a pipeline of projects - and closing that gap is the work ahead.

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This is not a failure of will, or of the schemes that created the intent. They did their job, and did it well: they created demand, price and policy signals where little existed before - the beginnings of markets that were not there previously. But intent and money arrive faster than the structures that turn them into investable assets, which is what commitment does in any new sector. Building those structures is a different task, and a later one, and across most of the transition it is still unfinished.

Two debates dominate the question of how to close the gap. One says the constraint is capital - that more concessional finance, more blended structures, will unlock it. The other says it is technology -

that the transition waits on cheaper electrolysers and better capture chemistry. Both matter. Neither is what binds.

What binds is whether these projects can be financed at all - and here a distinction matters. Commercial viability decides whether a project deserves to exist; the economics have to work. Bankability decides whether capital can be structured around it at scale. A project can be viable in principle and still unbankable, because the structure that lets capital act has not been built. In energy and resources, that second gap is the one that stops projects.

Viability decides whether a project deserves to exist; bankability decides whether capital can be structured to act at scale.

This reads as technical; it is not. A policy maker hears it as competitiveness - whether India builds the new energy economy or imports it. A development bank hears it as capital that finally moves - commitments that disburse instead of sitting on the books. A sovereign fund hears it as the line between a pipeline and a portfolio. A promoter hears it as whether the project gets built. It is one question in four languages: can these assets be financed?

This perspective, the inaugural volume in the Tattva Meridian series, sets out what that means, why it is the predictable condition of any transition rather than a symptom of poor execution, and how it shapes the way we read every question that follows.

II. What Bankability Requires

So what does it take? The answer is unglamorous, and it holds across sectors. Four things must be true of the single asset - and a fifth of the market it sits in.

Ownership before finance

Before anyone lends against an asset, they have to know it exists in a form the law recognises. For a power plant this is basic - the land, the turbines, the licences are titled and on a register. For the assets this transition creates, it is often not. No one yet holds clear title to the pore space a mile beneath Gujarat where carbon dioxide would be stored. No one owns a unit of firm demand on a grid. Until the law defines what the asset is and who holds it, there is nothing to pledge and nothing to foreclose on - and so nothing to finance. Ownership is not something that lawyers tidy up at the end - it is the first thing capital looks for, and a key aspect these new assets need to solve.

Someone must carry the risk

Every large energy asset carries long-tail risk, and someone must hold it on defined terms. If stored carbon migrates decades from now, who is responsible? If a tailings dam or a shared facility fails, how is the loss apportioned? Lenders do not require that such risk be zero; they require that it be bounded and assigned. Unbounded or unassigned liability tends to make a project uninvestable. A liability resting with “whoever is standing in fifty years” cannot be priced and restricts lending.

Revenue a financier can believe

Capital is repaid out of revenue, so the revenue has to be credible before the capital arrives - but credible is not the same as contracted. A steel plant or a copper smelter is financed against a visible market and a known price, not a signed contract for its whole output; the market vouches for the revenue. The difficulty with a new energy or resources asset is that the market does not exist yet. There is no settled price for stored carbon, no deep market for green hydrogen, no forward curve for a mineral the country has never sold. A genuinely new asset class rarely has such market to point to - no established price, no observable demand. The revenue basis must be established another way - through an offtake agreement, a regulated tariff, or a defined payment mechanism. The question is not whether revenue is contracted, but whether it rests on something a financier can underwrite: a market where one exists, and a constructed basis where the market does not.

For a new asset class, the market does not exist yet. The revenue basis must be established another way

Measured, not merely mapped

A resource on a map is not an asset on a balance sheet. India's storage potential and its mineral endowment are real but inferred; its renewable resource, by contrast, is already measured - which is a prime reason why solar and wind became bankable while many others have not yet. A storage site is never guaranteed to hold carbon; it is tested, monitored and modelled until the range of outcomes is tight enough to finance. Capital cannot price what it cannot bound. The work that turns a resource into an asset is the work of measurement: drilling, testing, monitoring, modelling - narrowing an open question to a range a lender can insure against. This is why, in a young sector, the cheapest way to improve a project's economics is often not to spend less, but to know more. A measured resource is not a certain one; it is an uncertain one whose uncertainty has a price.

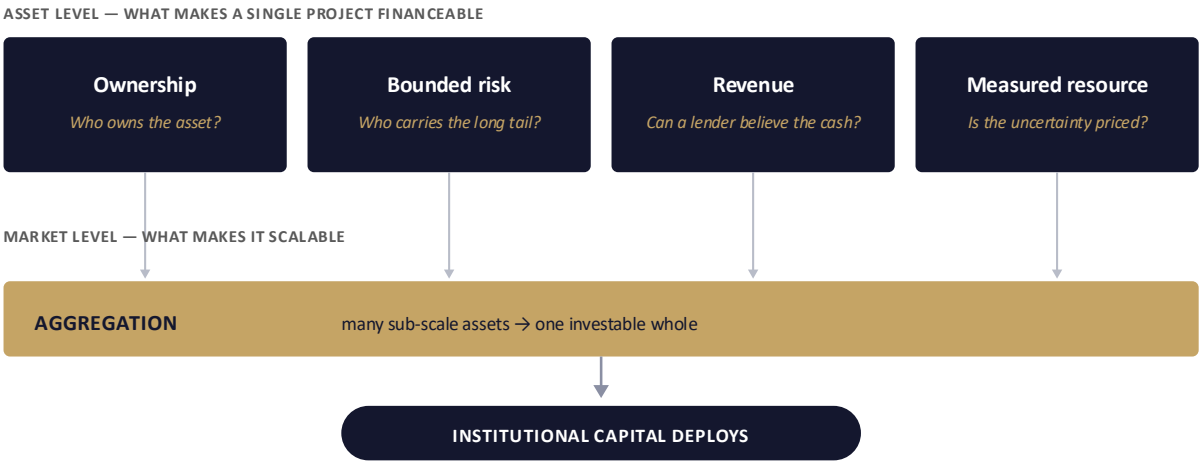
The cheapest way to improve a project's economics is often not to spend less, but to know more.

And then, scale

Even with all four in place, a project can fail to raise money for a plain reason: it is too small. A single store of carbon, one promoter's parcel of minerals, one plant's hydrogen demand may each be perfectly owned, bounded, revenue-backed and measured, and still be sub-scale for the institutions whose money the transition needs. Big capital moves in big blocks. What turns a field of small assets into something it can finance is aggregation - someone in the middle, bundling many units into one investable whole. That is not a law of nature; it is a job that in most new energy transition sectors no one has taken it up yet.

> ***Aggregation is precisely the role that development finance institutions, shared-infrastructure operators and well-built public vehicles exist to fill.***

EXHIBIT 1 **The Five Conditions of Finance**



KEY MESSAGE

A project becomes bankable only when asset-level readiness and market-level scale exist together — not one or the other.

Why the gap exists

None of this means anyone failed. In a mature market these conditions arrive bundled - handed down by decades of precedent that already settled who owns what, who bears which risk, how revenue is proven. A developer of a conventional plant inherits all of it without thinking. A genuinely new asset class - carbon storage, several critical minerals, industrial hydrogen demand - inherits none of it, because the precedent does not exist yet. The conditions are absent not because anyone failed to supply them, but because they have never been supplied for something new.

> ***The bankability deficit is the default condition of a transition, not a defect within it.***

The conditions are not new. Each is the daily practice of a discipline that already solved it - reserve classification, project finance, infrastructure funds. What is new is reading them as one problem, and applying them to assets an energy transition must build from scratch.

Building an asset class

India has done this before, more than once. It built a financeable gas-transmission asset class through regulation, certification, tariff-setting and contracted cash flows. It built a bankable highways asset class through annuity and monetisation models that gave roads a contracted revenue basis and let operating assets be recycled into fresh capital. And it built a solar-power asset class almost from nothing - solar parks that pooled land and evacuation, and bundled auctions that aggregated scattered demand into contracts a lender could finance. In each case the technology was not the hard part; the

scaffolding was - the legal, commercial and institutional architecture that turned a physical possibility into a financeable asset. The transition now asks for the same act of construction, repeated across a series of new sectors. This scaffolding, not the technology, is where it will be won or lost.

The scaffolding was the hard part - not the technology.

III. Three Questions We Ask First

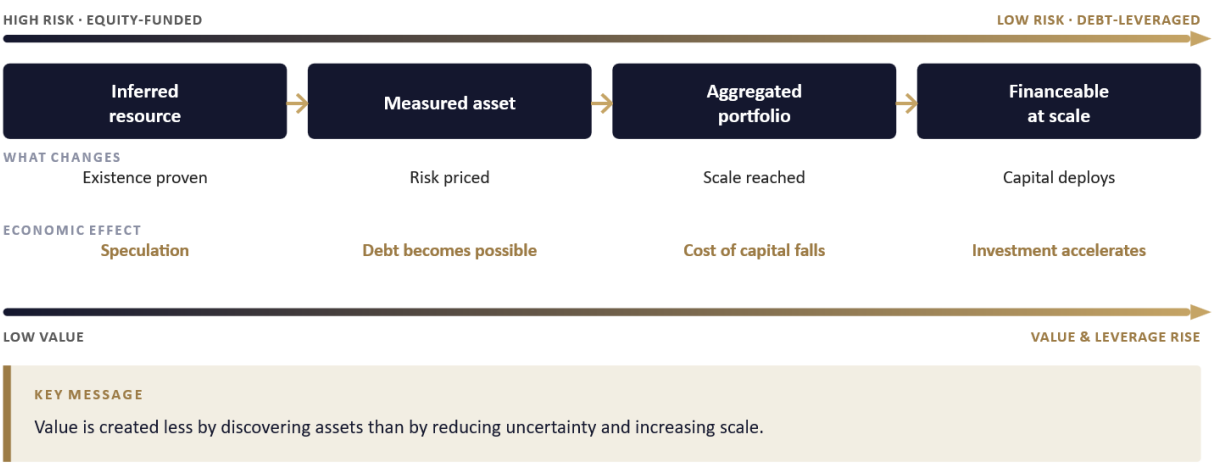
Those conditions describe what finance needs. They also imply a discipline - a way of reading an energy or resource opportunity that starts not with the technology but with the structure. Three questions come first, and each is really a strategic choice.

What is genuinely scarce? The market watches cost - the electrolyser, the capture unit, the processing plant - on the assumption the expensive thing is the constraint. It rarely is. The costly parts are manufactured, competitive, falling in price. The binding constraint is usually something scarce, not something dear: verified storage, a shared corridor, a permitted site, a proven deposit. We ask what is genuinely scarce because scarcity, not cost, is where durable value sits. **The strategic choice: compete on the technology anyone can buy, or control the scarcity no one else holds.**

> ***Technology is being commoditised. Bankability is not.***

What turns a resource into an asset? A resource is not yet an asset. Storage on a map, minerals in a survey, demand in a model - real, but inferred, and not yet financeable. The value-creating act is moving it from inferred to measured, from a number on a map to one a balance sheet will take. **The strategic choice: build individual projects, or build the asset class within which projects become financeable.**

EXHIBIT 2 **How a Resource Becomes Finance**



KEY MESSAGE

Value is created less by discovering assets than by reducing uncertainty and increasing scale.

What is the right scale? Few of these assets are viable alone. The economics close at the level of the cluster - the shared corridor, the common-user facility, the aggregated demand centre - where infrastructure is socialised and risk is spread. To judge a project at the scale of the single asset is to misjudge it. The strategic choice: finance assets, or finance the system in which assets become viable.

The strategic choice: finance assets, or finance the system in which assets become viable.

These three questions recur in everything we look at. They are not a method to run mechanically; they are the habits of attention that separate the projects that get financed from the ones that do not.

IV. What This Series Will Explore

The perspectives that follow apply the same discipline, each to one sector at the centre of India's energy and resources transition, each asking a single question: what would it take to make this financeable?

India has committed twenty thousand crore rupees over five years to carbon capture, utilisation and storage[1], and holds, on published geological assessments, a continent's worth of potential storage[2]. The first perspective, *The Bankable Tonne*, asks what it takes to make a single tonne of it ownable, contracted and financeable - and what stands between enormous potential and a financeable asset.

A geological map and a financial map are not the same document. India's critical-mineral endowment is real; the question is what converts indicated resources into investable supply chains that the country's industrial and strategic ambitions can rely upon. A forthcoming perspective traces that conversion.

And a third asks under what structural conditions coal-to-chemicals - a route that has defeated merchant projects elsewhere - could be financed, survive the carbon-border regimes now reshaping global trade and provide feedstock security.

And a fourth asks what it takes to make a regional power market financeable when the boundary itself is sovereign - where complementarity between hydro, solar and gas across borders is real, but no institution yet aggregates it into something a lender can finance.

Each is the same framework applied to a new sector: the move from inferred to measured, the search for the scale at which capital can act. We publish them as questions rather than conclusions, offered to the leaders who must act on them - policymakers, financiers, investors, promoters and operators - not because the answers are unknowable, but because this is how we believe they should be approached: structure first. That is the Tattva Meridian way.

[1] Union Budget 2026–27, Government of India. Figure denotes the multi-year outlay announced for carbon capture, utilisation and storage; allocations are subject to revision.
[2] Based on published assessments of India's geological CO_2 storage potential. The specific estimate and its source are set out in the forthcoming perspective, *The Bankable Tonne*; figures for theoretical storage capacity vary widely by methodology and confidence level.

V. The Work Ahead

Converting the intent to action requires building the conditions deliberately, ahead of the capital - not after it.

- **For governments:** create the ownership and liability regimes for assets that do not yet legally exist - before the projects, not after.
- **For development banks:** take up the aggregation role that turns sub-scale projects into investable ones.
- **For investors and promoters:** treat the measurement of a resource as the highest-return spend in a project's early life.
- **For all of them:** invest in the unglamorous capability - the reservoir engineers, the structuring teams, the people who move an asset from inferred to measured - the way a serious build-out invests in the electricians and welders it actually runs on.

The technology will come. The structure has to be built - and the countries and institutions that learn to build it first will shape the transition rather than wait for it.

VI. An Invitation

The questions in this series do not resolve on paper. They resolve in the structuring - project by project, in the specific work of turning an ambition into a financeable asset. That is where the analysis here is meant to lead, and where the conversation continues.

We welcome the engagement of those doing this work - and those who need it done.

The Tattva Meridian View

Industrial advantage, in an age of structural transition, will be decided less by who masters a technology than by who can turn ambition into assets that capital will underwrite.

The technologies are largely known, and increasingly available to all. What is scarce is the capacity to integrate energy, materials, infrastructure, capital and institutions into systems that can actually be financed.

Strategic choices shape capital mobilisation; capital mobilisation requires bankability; bankability unlocks industrial advantage. Capital follows structure, not ambition.

The work of the transition is the work of building that structure - deliberately, sector by sector, project by project. This is where we begin: not with the technology, but with the strategic choices, the capital, and the institutions through which industrial systems are built.

FORTHCOMING IN THIS TATTVA MERIDIAN PERSPECTIVES SERIES

Carbon Infrastructure - *The Bankable Tonne*

Critical Minerals - *from Geological Maps to Bankable Projects*

Feedstock Security - *India's Coal-to-Chemicals Transition*

Power Without Borders - *Making Regional Power Markets Financeable*

…and the questions that follow, across energy, steel, cement, grid, and strategic minerals and metals.

About Tattva Meridian

Tattva Meridian LLP is an advisory firm working on capital mobilisation and energy & resources transition across India and the Global South. It works with development finance institutions, sovereign and industrial investors, and the promoters and operators building new capacity - on the specific work of making transition projects bankable.

The firm begins with structure rather than technology and holds to a simple discipline: it does not confuse ambition with investability, is candid when the two have not yet been reconciled, and what it would take to change that. Its published perspectives set out the diagnosis; the structuring that follows belongs to engagement.

About the Author

Yogesh Daruka is the Founder and Principal of Tattva Meridian. Over three decades - most recently as a Partner at PwC India, where he led the firm's Mining & Metals practice and its Asian Development Bank account - he has specialised in the work this paper describes: turning energy & resources ambition into transactions that capital will underwrite.

His track record is in structuring and closing. He led the financial structuring and closure of landmark hydropower projects and public-private partnerships across Bhutan and Nepal; structured India's first revenue-sharing mine-developer-operator transaction for a critical mineral; and has advised India's sovereign critical-minerals institutions on overseas asset acquisitions. His work spans critical minerals, coal-to-clean pathways, energy corridors, power-sector reforms, and infrastructure finance across South Asia, Central Asia, Africa and the Middle East, for multilateral development banks, sovereign institutions, and private investors alike.

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