Green bonds and blended finance have opened new capital streams, but also new legal requirements, environmental covenants and stricter change-of-law protections.

Ranji DUA
Founder and Chairman
DUA ASSOCIATES

Advisory sophistication advances with energy integration

India

March 10, 2026

Ranji Dua, chairman of Dua Associates, talks to The Energy Year about the growing legal sophistication and multidisciplinary expertise required to support energy and infrastructure projects in India, and the most critical regulatory challenges affecting project execution.

Dua Associates is a full-service legal firm in India.

- In the past 18 months, advisory requests from energy companies in India have become more comprehensive as renewable projects are increasingly integrated with battery storage and infrastructure buildouts.
- Given the overlap between the jurisdictions of central and state governments, project execution timelines in India would benefit from tacit approval mechanisms, better mapping of agency dependencies and a standardised concession model to reduce negotiation times and set precedents.
- A decade ago, purchase agreements with state distribution companies were sufficient to close financing on power generation projects. Today, lenders scrutinise revenue streams and payment security much more intensely.

What trends have you noticed recently in your regulatory advisory and project structuring work with energy clients?

The past 18 months have been extraordinary. We are seeing a fundamental shift in the nature of mandates. Traditional thermal and hydro projects are running alongside renewable buildouts and battery storage facilities, and our work has evolved from transactional advisory to much more integrated engagements.

Energy clients now need infrastructure expertise around ports, roads and transmission simultaneously. A solar developer isn't just building panels anymore; they are navigating land leasing, grid connectivity, water rights and often cross-border supply chain compliance. We have been deeply involved in interpreting evolving frameworks and state-level open access regulations that can change every six months.

LATEST NEWS AND FEATURES


Competition brings innovation in Saudi power equipment
INTERVIEW


QatarEnergy, ExxonMobil achieve first LNG at US facility
NEWS


Engineering Nigeria's shift to sustainable energy
INTERVIEW

Etu Energias grows foot-print offshore Angola with deepwater deal

NEWS

MOST POPULAR

Beyond the digital factory – inside Newrest's digital ecosystem

ARTICLE

From data to robotics: engineering the Newrest digital factory

ARTICLE

Building scalable upstream capacity in Nigeria

INTERVIEW

Técnicas Reunidas wins Canada LNG FEED contract

NEWS

What would you say are the most critical regulatory challenges affecting project execution?

The biggest constraint isn't a lack of policy ambition; it's execution fragmentation. Land acquisition remains the single largest time sink. Despite the enactment of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act of 2013, which repealed the Land Acquisition Act of 1894, state-level implementation varies wildly. As a result, a project may receive central approval yet face prolonged delays at the local level.

These delays often stem from undervalued compensation, unclear land titles, inadequate rehabilitation and resettlement measures, and administrative inefficiencies within land and revenue departments. The outcome is extended procedural timelines, frequent legal disputes and substantial project cost escalations.

Environmental clearance procedures have improved with online systems, but the assessment timelines haven't been compressed meaningfully. Forest clearances can still take up to 24 months in many cases. While we are pushing renewable energy at the policy level to reach climate goals, the environmental apparatus slows down approvals for transmission lines that are essential for power evacuation. And right-of-way issues are chronic, as state agencies, state utilities, railways and highways all have different compensation formulas and approval chains. There is no unified framework.

The overlap between the central and state governments is constitutional, so we can't wish it away, but three things could help. The first is an approval mechanism with teeth; if a clearance isn't rejected within a defined period with reasons, it's deemed granted. The second is a unified digital window that tracks dependencies across agencies, not just collects applications. The third is a standardised concession model that reduces negotiation times and creates precedents. Without these, even well-capitalised projects will continue to face months of delays before first construction.

How are financing structures for energy and infrastructure projects evolving?

Bankability has become the new battleground. 10 years ago, a power purchase agreement with a state distribution company, however stressed, was enough to close finance. Today, lenders are stress-testing revenue models, scrutinising termination payment mechanisms and demanding explicit sovereign support or payment security mechanisms.

Green bonds and blended finance have opened new capital streams, but they have also brought new legal requirements, environmental covenants, impact reporting and stricter change-of-law protections. We are seeing more multi-tranche structures where different capital layers have different risk appetites and security hierarchies.

These projects need to move beyond generic risk allocation. Contracts must specify compensation formulas instead of leaving compensation to "mutual agreement." Security frameworks must ring-fence project cash flows more effectively through dedicated escrow mechanisms or letter of credit backstops for payment defaults. And frankly, we need standard market positions on issues such as compensation for deemed generation or the enforcement of must-run status. If every project negotiates these terms from scratch, it creates delays and unpredictability.

How would you assess dispute resolution mechanisms in India, and what elements could be improved?

Disputes are inevitable in multi-billion-dollar projects. Although we are seeing faster disposal of cases by Indian courts, arbitration remains the preferred route for sophisticated parties, particularly when international investors are involved. Further, amendments in 2015 and 2019 to the Arbitration and Conciliation Act of 1996 have made India more aligned with the spirit of the UNCITRAL [United Nations Commission on International Trade Law] Model Law – for example, by strengthening timelines, promoting institutional arbitration and narrowing judicial interference.

Historically, the principal challenge with arbitration in India has been delays at the enforcement stage. However, Indian courts have increasingly adopted a pro-enforcement stance, in line with global arbitration-friendly trends. This shift is reflected in a more restrained approach to setting aside or refusing enforcement of awards, with courts limiting the scope of judicial intervention, particularly in challenges brought under Sections 34, for domestic awards, and 48, for foreign awards, of the Arbitration Act and narrowing the interpretation of "public policy" as a ground for refusal.

What is encouraging is the shift toward negotiated settlements and structured mediation, especially in operational projects where the parties have continuing relationships. Distribution companies and power generators are increasingly using expert determination for technical disputes – over capacity degradation, for example, or auxiliary consumption – rather than full arbitration.

For predictability to improve materially, we need published arbitral awards in the energy industry to create soft precedents. Right now, most resolutions are confidential, and the market can't learn from them. Second, we need specialised infrastructure tribunals with technical expertise, not just legal acumen.

Read our latest insights on:

- India

MORE CONTENT FROM INDIA

Petrochemical integration drives India's advanced equipme…

INTERVIEW

Long-term value creation in India's renewables space

INTERVIEW

Leading the way in India's most challenging basins

INTERVIEW

MORE REPORTS

SIGN UP

THE ENERGY YEAR
Information is power

Follow us

SECURED BY SECTIGO