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NEWSLETTER

AUGUST 2026

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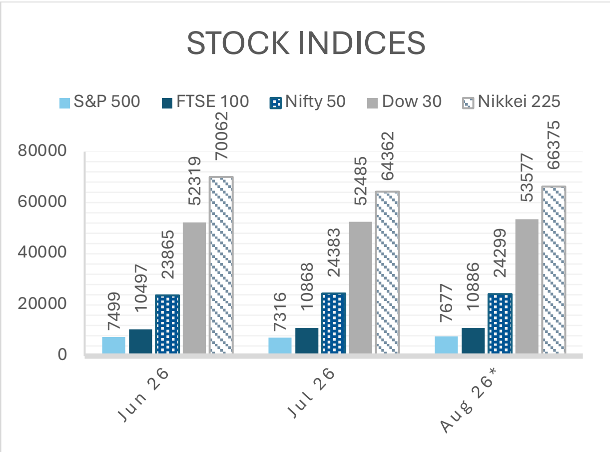
Table of contents

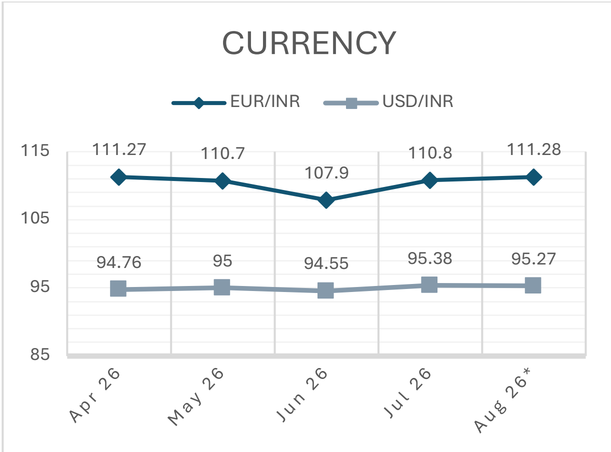
Indian economy | August 2026

Snapshot of key indicators

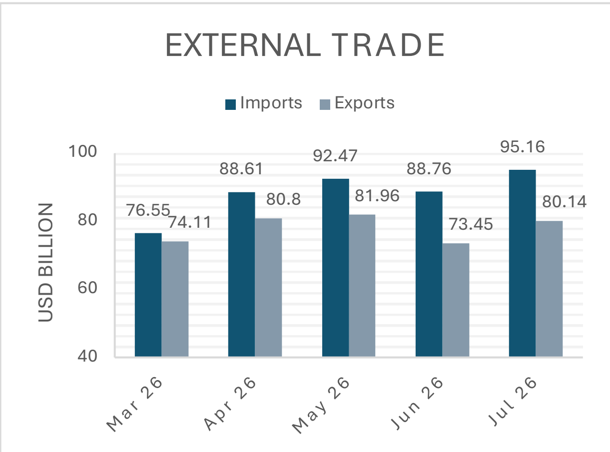
As per the latest available data for August 2026



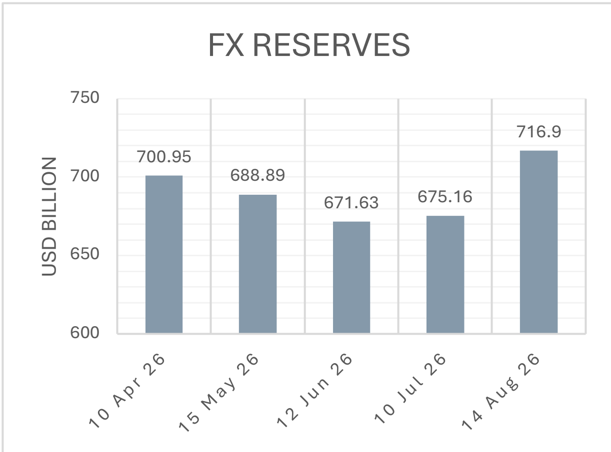
Source: S&P Dow Jones, FTSE Russel, NSE, and Nikkei



Source: Reserve Bank of India



Source: Ministry of Commerce and Industry



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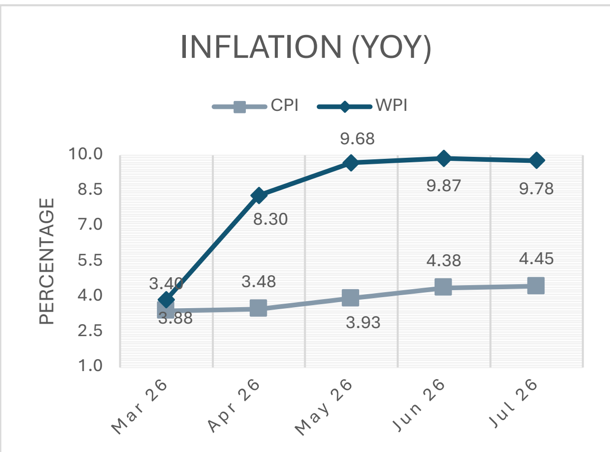
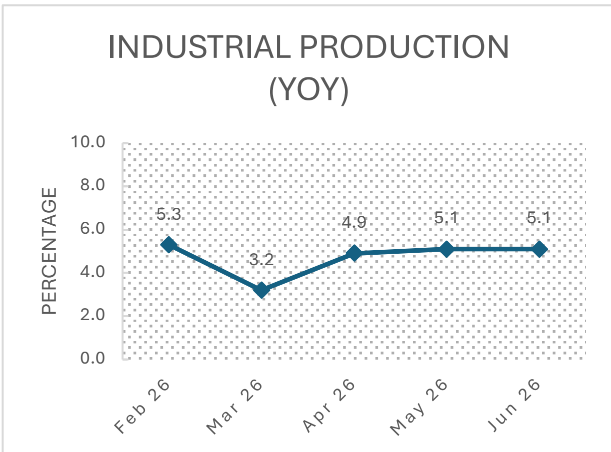


Source: Ministry of Statistics and Programme Implementation



Source: Ministry of Statistics and Programme Implementation

RBI proposes overhaul of India’s foreign investment framework with simplified rules and expanded definitions

Draft Foreign Exchange Management (Foreign Investment) Rules, 2026

The Reserve Bank of India (**RBI**) released the draft Foreign Exchange Management (Foreign Investment) Rules, 2026 (**Draft FI Rules**) for public consultation. The Draft FI Rules seek to replace the existing Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (**NDI Rules**) and simplify and rationalise India’s foreign investment framework by consolidating key provisions, harmonising definitions, and aligning the framework more closely with the Foreign Direct Investment (**FDI**) Policy and sector-specific regulatory requirements.

Key proposed changes

- Scope and applicability: The Draft FI Rules will not apply to investments made by a person resident outside India in a financial institution set up within an International Financial Services Centre under the International Financial Services Centres Authority Act, 2019.
- Introduction of ‘eligible investee entity’: The Draft FI Rules seek to introduce a consolidated definition of ‘eligible investee entity’, covering companies and body corporates, LLPs, SEBI-registered investment vehicles, partnership firms, and proprietary concerns. This replaces the more fragmented approach under the NDI Rules.
- Broad definition of ‘equity’: The existing concept of ‘non-debt instruments’ is proposed to be replaced with ‘equity’, which would primarily comprise instruments classified as equity under applicable accounting standards. The definition also includes units of investment vehicles and participating interests or rights in oil fields or mines, subject to the Draft FI Rules.
- Introduction of Foreign Controlled Entity (**FCE**): An FCE refers to a resident company, an LLP, or an investment vehicle owned or controlled by a person resident outside India. Ownership and control would be determined by the relevant sectoral regulator or, in its absence, under the applicable Indian law governing the entity.
- Uniform 10% threshold for FDI and Foreign Portfolio Investment (**FPI**): For distinguishing FDI from FPI, foreign investment of 10% or more in an Indian company or LLP would constitute FDI, while investment below 10% would constitute FPI, irrespective of whether the company is listed or unlisted, removing the existing listing status-based distinction under the NDI Rules.
- Look-through approach for foreign investment: The Draft FI Rules seek to expand the scope of foreign investment to cover investments made directly or indirectly through an FCE or another non-resident entity that is owned or controlled by, or under common ownership or control with, the investor. Ownership is generally linked to beneficial holding of more than 50%, while control may arise through management rights, shareholders’ agreements, or voting rights of 10% or more, among other means.
- Liberalisation of gift transfers: Transfer of equity by way of gift between natural persons is expressly recognised as a permissible mode of foreign investment. The recipient must be a close relative within the meaning of the Companies Act, 2013, and the value of equity transferred during a financial year must be within the limits prescribed under the Liberalised Remittance Scheme.

- Additional modes of investment: The Draft FI Rules consolidate various permissible modes of foreign investment, including subscription, purchase, gift, pledge, and swap. They also retain provisions relating to certain investments through depository receipts and investments by Non-Resident Indians (**NRIs**) and Overseas Citizens of India (**OCIs**).
- Equity issuance by eligible investee entities: An eligible investee entity may issue equity to a person resident outside India or an FCE, subject to the conditions under the FDI Policy and the applicable framework for direct listing on international stock exchanges. The Draft FI Rules also recognise equity swaps involving Indian and foreign equity and certain swaps involving investment vehicles.
- General conditions for foreign investment: Foreign investment will continue to be subject to the applicable FDI Policy, including entry routes, sectoral caps, and sector-specific conditions. The Draft FI Rules also provide certain exceptions from the general conditions, including for rights and bonus issues where the investor's shareholding pattern remains unchanged.
- Foreign investment through recognised stock exchanges: Foreign investment through recognised stock exchanges in India will remain subject to applicable SEBI regulations, unless otherwise exempted. An FPI acquiring 10% or more of the equity of an Indian company would be reclassified as FDI, subject to applicable regulatory requirements.
- General pricing framework: Pricing for listed companies and investment vehicles would be governed by applicable SEBI regulations, while pricing for public companies listed on international stock exchanges would be governed by Annexure I of the Draft FI Rules. This seeks to consolidate the pricing framework applicable to foreign investment transactions.
- Arm's length pricing: In other cases, pricing would be determined using an internationally accepted arm's length valuation methodology and certified by a chartered accountant, SEBI-registered merchant banker, or cost accountant. The pricing requirements would not apply to certain transactions, including rights issues and foreign investment made on a non-repatriation basis.
- Expanded onus of compliance: The Draft FI Rules place the onus of compliance on both the foreign investor and the eligible investee entity. This represents a shift from the NDI Rules and may require foreign investors to undertake greater regulatory due diligence in cross-border transactions.
- Distinct roles for RBI and Department for Promotion of Industry and Internal Trade (**DPIIT**): The RBI would continue to administer the Draft FI Rules and issue regulations, directions, and clarifications for their implementation, while the DPIIT would have a distinct role in interpreting the FDI Policy and issuing directions, circulars, and clarifications relating to such policy.

The Draft FI Rules give effect to the Union Budget 2026-27 announcement concerning the modernisation of India's foreign investment regime. The proposed framework adopts a more principle-based approach, while retaining the linkage between the foreign investment rules and the FDI Policy issued by the Government of India.

Intraday borrowing by mutual funds permitted to address liquidity mismatches

Circular on intraday borrowing facility availed by mutual funds

To resolve liquidity mismatches arising from discrepancies in market settlement timings, the Securities and Exchange Board of India (**SEBI**) amended the SEBI (Mutual Funds) Regulations, 2026 (**MF Regulations**), allowing intraday borrowing by mutual funds, and issued a Circular, effective September 1, 2026, specifying the conditions governing the facility in supersession of the existing guidelines contained in the Master Circular for Mutual Funds.

Key changes

- Permitted purposes: Mutual funds can now avail themselves of intraday borrowings for unitholder payouts, through paths such as redemptions, Income Distribution cum Capital Withdrawal (**IDCW**), and interest; pay-in obligations for scheme investments; Mark-To-Market (**MTM**) and foreign exchange settlements; and repayment of existing borrowings.
- Quantum linked to receivables: The quantum of borrowing is limited based on guaranteed receivables, including receipt of funds from the RBI, clearing corporations, and subscription inflows, and non-guaranteed receivables visible during the day and payable by the end of the day, including maturity receipts and second market transactions of Non-Convertible Debenture (**NCD**), CP stands for Commercial Paper (**CP**), CD stands for Certificate of Deposit (**CD**), and OTC stands for Over-the-Counter (**OTC**) swaps. Additional headroom is available exclusively for meeting unitholder redemptions and payouts under Regulation 42(1) of the MF Regulations.
- Same-day repayment discipline: The Asset Management Companies (**AMCs**) must ensure that the intraday borrowings are repaid within the day itself. The conversion to overnight borrowing must stay within regulatory limits and be subject to purposes permitted under Regulation 42(1) of the MF Regulations.
- Governance and record keeping: To avail the intraday borrowing facility, policy approval is needed from the boards of the AMC and the trustees of the mutual fund. The policy must include approval processes and monitoring mechanisms, and shall be made available on the AMC website. Further, the AMC must maintain scheme-wise records detailing the underlying liquidity mismatch and the expected source of repayment for the intra-day borrowing.
- Cost incurred by the AMC: The cost of intraday borrowing, or any loss or cost incurred, on account of any unforeseen event or delay in receiving the funds from receivables, shall be borne by the AMC and should not be passed on to the scheme or its unitholders. This provision ensures that ease in liquidity management for mutual funds does not dilute investor protection

Framework for private participation and lifecycle regulation of nuclear energy sector

Draft Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Rules, 2026

The Department of Atomic Energy (**DAE**) has released the Draft Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Rules, 2026 (**Draft Rules**) for public consultation, with the aim of operationalising the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Act, 2025 (**SHANTI Act**).

Key proposals

- Composite licensing framework: A single composite licence is proposed for the building, ownership, operation, and decommissioning of a nuclear power plant or reactor. The licensing framework extends beyond conventional electricity generation to captive power, process heat, hydrogen production, medical isotopes, education, training, and research.
- Eligibility and capability requirements: Applicants would have to demonstrate the following capabilities:
  - Financial: Cost estimates, funding sources, and financial stability metrics
  - Managerial: Business model, operational arrangements for fuel/heavy water supply, waste management, decommissioning, technology systems, and management and organisational structure
  - Technical: Experience in similarly technology-intensive works, trained and qualified personnel, lifetime design support arrangements
- Integrated safety, security, and safeguards: Licensees would be required to integrate safety, security, and safeguards throughout the lifecycle of nuclear facilities. Requirements include contingency plans addressing Design Basis Threats (**DBTs**), including cyber threats; reporting of specified security incidents within 24 hours; nuclear-material accountancy and control; physical protection; and specified tracking and communication systems for transportation of nuclear and radioactive material.
- Technology sourcing: The Draft Rules would permit the sourcing of indigenous or foreign reactor technology, subject to the intellectual property considerations and appropriate certification by the relevant authority in case of foreign sourcing.
- Exploration and mining: The Draft Rules also regulate exploration and mining of uranium and thorium. Beyond specified thresholds, these activities would be restricted to the Government or its nominated entities.
- Nuclear liability and financial security: Operators would be required to maintain insurance, financial security or a combination of both against nuclear damage. Financial security must be irrevocable and remain in effect until spent fuel is removed from the spent-fuel storage pool following its removal from the reactor core. Where shares, bonds, or other instruments are used as security, these would be pledged to the Central Government and subject to a 1:1.33 security margin, with any shortfall required to be replenished. Joint financial and security arrangements between operators are also permitted.
- Separate framework for radiation damage: The Draft Rules would distinguish radiation damage from nuclear damage and establish a mechanism for investigation and determination of compensation. Where the responsible employer or owner of a radiation source cannot be identified, the source would be treated as an 'orphan source', with compensation initially paid by the Central Government and recoverable if the responsible party is subsequently identified.

The Draft Rules translate the SHANTI Act's policy objective of expanding India's nuclear energy capacity into a detailed operational framework, which could facilitate investment and development of nuclear projects across conventional and emerging energy-intensive sectors. For potential private operators, investors, technology providers and other stakeholders, the proposed framework represents both an opening of the nuclear energy sector and a significant expansion of its compliance architecture.

Strengthened borrower protection through harmonised loan recovery framework

Amendments to RBI’s Responsible Business Conduct Directions

The Reserve Bank of India (**RBI**) has issued a coordinated set of amendments to its Responsible Business Conduct Directions, 2025, governing the recovery of loan dues and the engagement and conduct of recovery agencies, applicable to its Regulated Entities (**REs**), including commercial banks, small finance banks, local area banks, regional rural banks, urban and rural co-operative banks, Non-Banking Financial Companies (**NBFCs**), Housing Finance Companies (**HFCs**), and All India Financial Institutions (**AIFIs**).

The amendments consolidate the RBI’s existing instructions on recovery practices and establish a comprehensive governance framework that will come into effect from January 1, 2027.

Key changes

- Comprehensive recovery policy: REs will be required to maintain a policy on aspects including the initiation and escalation of recovery proceedings, employee and recovery-agent conduct, treatment of cases involving financial distress or the demise of a borrower, available resolution options, and compensation for losses arising from recovery actions that are inconsistent with RBI’s directions.

- Enhanced borrower protection during recovery: Access to borrower information by RE employees and recovery agencies must be restricted to what is necessary for recovery-related functions. Lenders must maintain records of recovery-related calls, including recordings of conversations, for prescribed periods. Recovery targets and incentive structures must also not encourage harsh recovery practices.
- Stricter oversight of recovery agencies: REs must undertake due diligence of their recovery agencies, including verification of the agents' antecedents. Recovery agents must undergo prescribed training and obtain certification from the Indian Institute of Banking and Finance (**IIBF**) or an affiliated institute. REs must also establish codes of conduct, eligibility criteria, performance standards, inspection and audit mechanisms, and consequences for non-compliance governing the agencies/their agents.
- Greater transparency in engagement of recovery agencies: REs will be required to disclose details of their empanelled recovery agencies, including their nature, address, period, and purpose of engagement. Borrowers and guarantors must also be informed in advance when a recovery agency is assigned for an in-person recovery visit and promptly notified of any subsequent change or termination of the agency.
- Clearer safeguards for taking possession of security: Where a lender relies on a contractual possession clause, the clause must be legally valid and clearly brought to the borrower's notice. Loan documentation must address the notice period, circumstances for waiver, procedure for taking possession, the final opportunity for repayment before sale or auction, and procedures for restoration and sale of the security.
- Regulation of technology-enabled recovery: A significant new measure concerns technology-based mechanisms that restrict or disable the functionality of a borrower's mobile device. Such mechanisms will generally be prohibited, except where the financed device itself is the subject of the loan. Even in such cases, restrictions can be imposed only after specified safeguards and timelines are met, including 30- and 60-day post-due-date thresholds before contractual restrictions may begin and be fully applied, respectively; and must be reversed within 1 hour of recovery. Essential functions such as incoming calls, SMS, and emergency SOS features cannot be disabled.
- Protection of personal data: Lenders and third-party service providers deploying device-locking mechanisms cannot access or use personal information stored on the borrower's device, including contacts, SMS, call logs, photographs, and location history, for recovery or any other purpose.
- Defined standards for recovery interactions: Recovery agents and employees must identify themselves, carry appropriate authorisation and interact with borrowers in a civil and dignified manner. Recovery-related contact is generally restricted to 8 am to 7 pm, subject to limited exceptions. Recovery visits should ordinarily take place at the borrower's chosen location, while sensitive occasions such as bereavement, medical emergencies, and marriage functions are to be avoided.
- Prohibition on harsh recovery practices: The framework expressly prohibits abusive or threatening language, excessive calls or messages, anonymous or threatening communications, public humiliation, harassment of relatives or colleagues, threats of violence, misuse of social media, and false or misleading representations regarding the debt or consequences of non-payment.

FDI relaxation in export-oriented inventory-based e-commerce models

DPIIT's Press Note 3 (2026 Series) on FDI Policy amendments for e-commerce

On 23 July 2026, the Department for Promotion of Industry and Internal Trade (**DPIIT**) issued Press Note 3 (2026 Series) (**PN3**), introducing a targeted relaxation to India's Foreign Direct Investment (**FDI**) framework for the e-commerce sector.

Under the existing framework, while FDI is permitted in B2B e-commerce and the marketplace model of e-commerce, it is not permitted in B2C e-commerce or the inventory-based model, where the e-commerce entity owns the inventory and sells goods directly to consumers.

PN3 introduces a specific exception permitting an e-commerce entity to undertake an inventory-based model exclusively for the export of goods/products manufactured and/or produced in India. This will take effect from the date of the corresponding notification under FEMA and the NDI Rules.

The permitted export activity will remain subject to the applicable provisions of the Foreign Trade Policy 2023 (**FTP 2023**), the Handbook of Procedures (**HBP**), and the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015. For the relevant export-side procedural framework, the Directorate General of Foreign Trade (**DGFT**) subsequently introduced the Inventory-based Cross-border E-Commerce Export Framework through Notification No. 27/2026-27 and Public Notice No. 25/2026-27 dated August 5, 2026.

Recommendations for stakeholders

- Entities that operate both domestic marketplace activities and export-oriented inventory operations will need appropriate systems, inventory tracking, and internal controls to demonstrate that export inventory is not diverted for domestic sales.
- To avail the benefit of this policy shift, entities that operate both domestic marketplace activities and export-oriented inventory operations will need appropriate systems, inventory tracking, and internal controls to demonstrate that export inventory is not diverted for domestic sales.
- Owing to the requirement that the goods be 'manufactured and/or produced in India', businesses involved in imported inputs, components, or partially processed goods may need to maintain appropriate documentation to establish the Indian manufacturing or production of the goods covered by the export model.
- As the framework also operates across multiple regulatory regimes, including the FDI Policy, FTP 2023, HBP, and foreign exchange regulations, businesses will face heightened compliance obligations, including applicable export documentation, foreign exchange, and realisation requirements.

The relaxation is likely to facilitate greater exports and provide Indian sellers with increased access to global markets as well as an established logistics infrastructure instead of independently managing the entire export process, while preserving the existing restrictions applicable to domestic inventory-based B2C e-commerce.

At the same time, it provides foreign-funded e-commerce platforms to develop their export-oriented supply chains in India, including procurement, warehousing, inventory management, packaging, and international fulfilment.

Proposal to harmonise framework for determining lending rates across regulated entities

Draft RBI (Interest Rates on Loans and Advances) Directions, 2026

The Reserve Bank of India (**RBI**) has proposed a consolidated framework governing interest rates on loans and advances across Regulated Entities (**REs**), while promoting transparency, appropriate credit-risk pricing, and effective monetary policy transmission, effective from April 1, 2027.

Key proposals

- The proposed framework would apply to commercial banks, small finance banks, local area banks, regional rural banks, co-operative banks, All India Financial Institutions (**AIFIs**), and Non-Banking Financial Companies (**NBFCs**). RBI proposes to issue category-specific final directions after considering stakeholder feedback.
- Floating-rate personal/retail loans and loans to Micro, Small and Medium Enterprises (**MSMEs**) would continue to be linked to external benchmarks. The Draft Directions propose that floating-rate loans reset at intervals of not more than 3 months, which is expected to facilitate more timely transmission of benchmark rate changes.
- For banks using the Marginal Cost of Funds Based Lending Rate (**MCLR**), the Draft Directions propose changes to the methodology for determining MCLR, including the use of a 3-month moving average of the weighted cost of fresh deposits and fresh borrowings.
- The proposals also seek greater discipline and transparency in the determination and revision of spreads, including clearer treatment of the credit risk premium and other spread components.
- The Draft Directions additionally propose a more comprehensive framework for fixed-rate loans, an area where the existing regulatory framework contains comparatively limited prescriptions. They also contemplate the transition of existing floating-rate loans to the revised benchmark framework by April 1, 2029, without disadvantaging borrowers or imposing additional migration charges.

Tax exemptions for foreign investors

The Taxation and Other Laws (Amendment) Bill, 2026

The Ministry of Finance has recently introduced the Taxation and Other Laws (Amendment) Bill, 2026 (**Bill**), introducing significant exemptions for certain foreign investors by amending the Income-tax Act, 2025 (**IT Act**), the Finance Act, 2026, and the Payment and Settlement Systems Act, 2007 (**PSS Act**).

Key features

- Exemptions for FIIs and BIS on income from Government securities (**G-secs**): Foreign Institutional Investors (**FIIs**) and the Bank for International Settlements (**BIS**) are proposed to be exempted from paying income tax on:
  - Interest earned on investments in G-secs
  - Capital gains arising from sale, exchange, or transfer of such securities

  As the proposal will apply to income arising from April 1, 2026, interest income, short-term capital gains, and long-term capital gains generated prior thereto will continue to be taxed at 20%, 30%, and 12.5%, respectively.
- Foreign companies engaged in certain businesses: The Bill introduces an exemption on income arising on or after October 1, 2026, until March 31, 2041, from specified activities in the following commodities:
  - Diamonds: Income generated by foreign companies engaged in the sale of rough diamonds in a notified special zone will be exempt if they are:
    - Engaged in diamond mining
    - Sightholders of diamond mining companies
    - Brokers, aggregators, or tender and auction entities connected with the sale of rough diamonds
  - Electronics: Income generated by a foreign company by storing components in a warehouse in a custom bonded area for providing them to a contract manufacturer to be used for manufacturing specified electronic goods, including phones, laptops, servers, and sub-assemblies of finished goods, would also be exempt.

    The Bill also extends the exemption of income of a foreign company arising from the supply of capital goods, equipment, or tooling to a contract manufacturer of electronic goods, from 2030-31 to 2040-41.
- Investment funds registered outside India but managed from India: While the IT Act specifies the conditions for tax exemption for investment funds registered outside India but managed from India, the Bill proposes the removal of the following conditions:
  - Minimum of 25 members
  - Maximum 10% participation interest of a single investor
  - Minimum monthly average corpus of INR 100 crore
  - Maximum investment of 25% of the corpus in a single entity
- Special purpose vehicles of business trusts: The surcharge of 10% on income-tax payable by every domestic company opting for concessional tax rates under the Finance Act, 2026 will be raised to 25% in case of a special purpose vehicle of a business trust (REITs and InvITs), which pool money from investors to buy and manage assets. The Bill also exempts unit holders of a business trust from tax on the income representing dividends from such a special purpose vehicle.
- Data centres: While the IT Act exempts income of specified foreign companies arising by way of procuring services from specified data centres, the Bill removes the following conditions:
  - The foreign company be notified by the Central Government
  - The data centre be set up and notified under an approved scheme

  Further, the Bill extends the exemption available for services procured from a data centre owned and operated by an Indian company, to data centres leased and operated by an Indian company.

Streamlined transmission of securities to reduce burden on legal heirs

SEBI's Circular on simplified framework for transmission of securities

The Securities and Exchange Board of India (**SEBI**) has issued a Circular revising the framework for the transfer of securities once an investor passes away, reducing the paperwork and administrative burden on legal heirs, while expediting and standardising transmission practices among listed firms, Registrars and Transfer Agents (**RTAs**), depositories, Depository Participants (**DPs**), and Asset Management Companies (**AMCs**).

Key changes

- Quick Transmission Processing (QTP): For low-value claims, SEBI has implemented a method called QTP. When a claimant is an immediate relative of the deceased, such as parents, spouses, children, or parents-in-law, QTP applies to claims up to INR 10,000 for physical securities and INR 30,000 for dematerialised assets. This offers a quicker method with less paperwork.
- Higher thresholds for simplified documentation: The barrier for simple documentation has been significantly raised to INR 30 lakh for dematerialised assets per beneficial owner and INR 10 lakh for physical securities. As a result, more transmission claims can be handled without the substantial paperwork required for higher-value claims.
- Documentation requirements: The revised framework reduces duplication and standardises documentation requirements for transmission claims. It provides for a combined affidavit-cum-NOC instead of separate documents and recognises QR-coded death certificates as a means of verification. The framework also simplifies the documentation requirements applicable to different categories of transmission claims.
- Time-bound processing: After all necessary documentation is received, transmission claims must be processed within 21 calendar days. In order to improve claimants' procedural certainty, processing organisations are required to identify problems from the outset and give written explanations for any delays or rejection.
- Reduced requirements for remaining joint holders: Apart from the deceased holder's death certificate, surviving joint holders are not required to present extra documentation, such as KYC documents, indemnities, or undertakings, when one or more joint holders pass away.
- Increased procedural uniformity: Listed entities, RTAs, depositories, DPs, and AMCs must adhere to standardised protocols and provide investors with the necessary forms and paperwork. Additional document requests must be supported by evidence and applied consistently.

The changes mark a substantial move in the direction of streamlining, standardising, and expediting the processing of transmission claims. SEBI aspires to lessen the compliance burden on legal heirs while maintaining protections for higher-value or disputed claims by implementing QTP, raising simplified documentation criteria, and restricting superfluous documentation. As a result, it is anticipated that the framework will increase accountability among intermediaries handling such claims while speeding up and improving the predictability of the transmission process.

Interest rate for HAM projects for Jul-Sep 2026

NHAI's Policy Circular on HAM interest rate

The National Highways Authority of India (**NHAI**), *vide* its Policy Circular, has notified an interest rate of 9.86% per annum for Hybrid Annuity Model (**HAM**) projects for the quarter commencing July 1, 2026.

The Circular has been issued pursuant to Article 23.6.4 of the amended Model Concession Agreement (**MCA**) for HAM projects, which provides that interest on the reducing balance of the Completion Cost is payable at a rate equal to the average 1-year Marginal Cost of Funds Based Lending Rate (**MCLR**) of the top 5 scheduled commercial banks, plus a spread of 1.25%.

Under the amended MCA, NHAI is required to identify and declare, on September 1 of each calendar year, the top 5 scheduled commercial banks based on their balance sheet size as reported in their respective annual reports. The applicable 1-year MCLR of these banks is then adopted at the commencement of each quarter for determining the interest rate under Article 23.6.4.

For the period from July 1, 2026 to September 30, 2026, NHAI has identified the following banks and their respective 1-year MCLR:

- State Bank of India: 8.70%
- HDFC Bank: 8.40%
- ICICI Bank: 8.40%
- Bank of Baroda: 8.75%
- Punjab National Bank: 8.80%

The average 1-year MCLR of the five banks is 8.61%. Accordingly, after adding the prescribed spread of 1.25%, the applicable interest rate for HAM projects for the quarter is 9.86% per annum.

The Circular provides greater clarity and certainty on the benchmark interest rate applicable to HAM projects for the relevant quarter and facilitates consistent application of the interest computation mechanism prescribed under the amended MCA. The applicable rate will be subject to the next review in accordance with the mechanism prescribed under the MCA.

Press Release

August 3, 2026

New Partner Announcement

Prashaant Vikram Rajput joins Fox & Mandal as Partner – Capital Markets in Mumbai.

Fox & Mandal is pleased to announce that Prashaant Vikram Rajput has joined the firm as Partner – Capital Markets in Mumbai, effective August 1, 2026.

With over 2 decades of experience in equity and debt capital market transactions, Prashaant has deep sectoral expertise, encompassing defence, pharmaceuticals, manufacturing, infrastructure, renewable energy, hospitality, entertainment, mining, oil and gas, real estate, financial services, and banking.

Known to his friends as PVR, Prashaant has supported clients across the entire suite of capital markets transactions including the IPO journey, right from the preparatory phase on red flag identification due diligences prior to advising on post-listing compliances, as well as follow-on public offers, rights issue, qualified institutions placements, alternative investment market listings, business trust listings, American Depositary Receipts (**ADR**)/Global Depositary Receipts (**GDR**), Foreign Currency Convertible Bonds (**FCCBs**), and Singapore Exchange (**SGX**) medium-term note offerings.

PVR has been recognised as a 'Notable Practitioner' by IFLR1000 2025 and has also featured in 'RISE lawyers 2026' for capital markets. He has earlier worked with Economic Laws Practice, Luthra & Luthra Law Offices, and Dentons Link Legal.

We welcome Prashaant to the Fox & Mandal partnership.

KEY DEALS

Advised Sahar Prime City Ltd on its proposed IPO of up to INR 3000 crore (~USD 313.36 million), underwritten by Enam Securities, JM Financial, Edelweiss Capital, IDBI Capital, and Daiwa Securities

Advised the President of India, acting through the Ministry of Steel, Government of India on the INR 9967.3 crore (~USD 1041 million) FPO of NMDC Ltd, underwritten by UBS Securities, Citigroup, Edelweiss Capital, Kotak Mahindra, Morgan Stanley, RBS Equities, Edelweiss Securities, and Kotak Securities

Advised HSBC Securities (USA) Inc and Roth Capital Partners, LLC on their USD 245.44 million non-transferable subscription rights issue of Azure Power Global Ltd (listed on NYSE)

Advised Caparo Energy Ltd on its Alternative Investment Market (AIM) listing of GBP 50.2 million on the LSE

Advised Jain Resource Recycling Ltd on its INR 1250 crore (~USD 130 million) IPO, underwritten by DAM Capital, ICICI Securities, Motilal Oswal, and PL Capital

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About F&M

Founded in 1896, Fox & Mandal (**F&M**) is one of India's oldest full-service law firms. Against the backdrop of our 130+ years' heritage, an unyielding and constant focus on evolution, adaptability and change have been the hallmark of our client engagement and service ethos.

The evolving policy and regulatory ecosystem necessitates careful navigation by businesses as well as their promoters and senior management - with a proven track record of effectively leveraging our full-service capabilities to address attendant legal challenges, our specialist teams combine relevant subject-matter, sectoral and jurisdictional knowledge to craft pragmatic, commercially viable and legally enforceable solutions for addressing critical issues along the entire business life cycle.

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- Private Client Practice
- Projects, Infrastructure & Energy
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