



प्रेस प्रकाशनी PRESS RELEASE



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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RBI withdraws Short-term Forex Loans facility for NBFCs and HFCs

The Reserve Bank of India has withdrawn, with immediate effect, the facility of short-term foreign currency borrowings provided to Non-Banking Finance Companies-Non-Deposit Taking-Systemically Important (NBFC-ND-SI) and the Housing Finance Companies (HFCs). The decision has been taken after a review of the prevailing macroeconomic conditions and improvements in the domestic credit and liquidity conditions.

The Reserve Bank had, as a temporary measure, allowed NBFCs-ND-SI on October 31, 2008 and Housing Finance Companies on November 17, 2008, to raise short-term foreign currency borrowings not exceeding 50 per cent of the Net Owned Funds (NOF) or USD 10 million, whichever was higher, for refinancing their short-term liabilities. The facility was extended to these companies under the approval route, subject to certain terms and conditions.

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