

**External Commercial Borrowings (ECB) Policy - Revised framework
{c.f.: A.P. (DIR Series) Circular No.32 dated November 30, 2015}**

A. Forms of ECB

ECBs are borrowings raised by permitted resident entities from recognised non-resident entities. Borrowings raised under the ECB framework can have one of the following forms:

- i. Bank loans;
- ii. Securitised instruments (e.g. floating rate notes and fixed rate bonds, non-convertible, optionally convertible or partially convertible preference shares / debentures);
- iii. Buyers' credit;
- iv. Suppliers' credit;
- v. Foreign Currency Convertible Bonds (FCCBs);
- vi. Financial Lease; and
- vii. Foreign Currency Exchangeable Bonds (FCEBs)

While the first six forms of borrowing can be availed of both under the automatic and approval routes, FCEBs can be issued only under the approval route.

B. Terms used in the ECB framework

i. All-in-cost

All-in-cost includes rate of interest, other fees, expenses, charges, guarantee fees whether paid in foreign currency or INR but will not include commitment fees, pre-payment fees / charges, withholding tax payable in INR. In the case of fixed rate loans, the swap cost plus spread should be equivalent of the floating rate plus the applicable spread.

ii. Designated Authorized Dealer Category I Bank

The Authorized Dealer Category I (AD Cat I) bank branch is the branch which is designated by the ECB borrower for meeting the reporting requirements including obtention of the Loan Registration Number (LRN), exercising the delegated powers under these guidelines and monitoring of ECB transactions.

iii. Foreign Currency Convertible Bonds (FCCBs) and Foreign Currency Exchangeable Bonds (FCEBs)

FCCBs are foreign currency denominated instruments which should be issued in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 as amended from time to time. FCEBs should be issued in accordance with the Issue of Foreign Currency Exchangeable Bonds Scheme, 2008. The principal and interest in respect of these bonds are payable in foreign currency and these are convertible into ordinary shares of the issuing company or the offered company, as the case may be, in any manner, either in whole, or in part, on the basis of any equity related warrants attached to debt instruments. An Indian company, which is not eligible to raise funds from the Indian securities market, including a company which has been restrained from accessing the securities market by the Securities and Exchange Board of India (SEBI) shall not be eligible to issue FCCBs/FCEBs. In addition to various provisions listed below, FCCBs and FCEBs should also conform to applicable Regulations of Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 notified vide [Notification No. FEMA 120/RB-2004 dated July 7, 2004](#) as amended from time to time.

iv. Foreign Equity Holder

The term foreign equity holder for the purpose of ECB means: (a) direct foreign equity holder with minimum 25% direct equity holding by the lender in the borrowing entity, (b) indirect equity holder with minimum indirect equity holding of 51%, and (c) group company with common overseas parent.

v. Infrastructure Sector

For the purpose of raising ECB, Harmonised Master List of Infrastructure sub-sectors approved by Government of India vide Notification F. No. 13/06/2009-INF dated March 27, 2012 as amended / updated from time to time will be considered.

C. Parameters for ECBs

1. Minimum Average Maturity (MAM) Period

The minimum average maturity for the three tracks are set out as under:

Track I	Track II	Track III
i. 3 years for ECB upto USD 50 million or its equivalent. ii. 5 years for ECB beyond USD 50 million or its equivalent.	10 years irrespective of the amount.	Same as under Track I.

2. Eligible Borrowers

The list of entities eligible to raise ECB under the three tracks is set out in the following table.

Track I	Track II	Track III
i. Companies in manufacturing, and software development sectors. ii. Shipping and airlines companies. iii. Small Industries Development Bank of India (SIDBI). iv. Units in Special Economic Zones (SEZs). v. Export Import Bank of India (Exim Bank) (only under the approval route).	i. All entities listed under Track I. ii. Companies in infrastructure sector. iii. Holding companies. iv. Core Investment Companies (CICs). v. Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (INVITs) coming under the regulatory framework of the Securities and Exchange Board of India (SEBI).	i. All entities listed under Track II. ii. All Non-Banking Financial Companies (NBFCs). iii. NBFCs-Micro Finance Institutions (NBFCs-MFIs), Not for Profit companies registered under the Companies Act, 1956/2013, Societies, trusts and cooperatives (registered under the Societies Registration Act, 1860, Indian Trust Act, 1882 and State-level Cooperative Acts/Multi-level Cooperative Act/State-level mutually aided Cooperative Acts respectively), Non-Government Organisations (NGOs) which are engaged in micro finance activities ¹ .

Track I	Track II	Track III
		iv. Companies engaged in miscellaneous services viz. research and development (R&D), training (other than educational institutes), companies supporting infrastructure, companies providing logistics services. v. Developers of Special Economic Zones (SEZs)/ National Manufacturing and Investment Zones (NMIZs).

Notes:

1. Entities engaged in micro-finance activities to be eligible to raise ECB: (i) should have a satisfactory borrowing relationship for atleast three years with an AD Cat I bank in India, and (ii) should have a certificate of due diligence on 'fit and proper' status from the AD Cat I bank.

3. Recognised Lenders/Investors

The list of recognized lenders / investors for the three tracks will be as follows:

Track I	Track II	Track III
i. International banks. ii. International capital markets. iii. Multilateral financial institutions (such as, IFC, ADB, etc.) / regional financial institutions and Government owned (either wholly or partially) financial institutions. iv. Export credit agencies. v. Suppliers of equipment.	All entities listed under Track I but for overseas branches / subsidiaries of Indian banks.	All entities listed under Track I but for overseas branches / subsidiaries of Indian banks. 2. In case of NBFCs-MFIs, other eligible MFIs, not for profit companies and NGOs, ECB can also be availed from overseas organisations ³ and individuals ⁴ .

Track I	Track II	Track III
vi. Foreign equity holders. vii. Overseas long term investors such as: a. prudentially regulated financial entities; b. Pension funds; c. Insurance companies; d. Sovereign Wealth Funds; e. Financial institutions located in International Financial Services Centres in India viii. Overseas branches / subsidiaries of Indian banks ²		

Notes:

2. Participation of Indian banks, their overseas branches / subsidiaries will be subject of prudential norms issued by the Department of Banking Regulation (DBR) of the Reserve Bank.

3. Overseas Organizations proposing to lend ECB would have to furnish to the AD bank of the borrower a certificate of due diligence from an overseas bank, which, in turn, is subject to regulation of host-country regulators and such host country adheres to the Financial Action Task Force (FATF) guidelines on anti-money laundering (AML)/ combating the financing of terrorism (CFT). The certificate of due diligence should comprise the following: (i) that the lender maintains an account with the bank at least for a period of two years, (ii) that the lending entity is organised as per the local laws and held in good esteem by the business/local community, and (iii) that there is no criminal action pending against it.

4. Individual lender has to obtain a certificate of due diligence from an overseas bank indicating that the lender maintains an account with the bank for at least a period of two years. Other evidence /documents such as audited statement of account and income tax return, which the overseas lender may furnish, need to be certified and forwarded by

the overseas bank. Individual lenders from countries which do not adhere to FATF guidelines on AML / CFT are not eligible to extend ECB.

4. All-in-Cost (AIC)

The all-in-cost requirements for the three tracks will be as under:

Track I	Track II	Track III
i. The all-in-cost ceiling is prescribed through a spread over the bench mark as under: <ul style="list-style-type: none"> a. For ECB with minimum average maturity period of 3 to 5 years - 300 basis points per annum over 6 month LIBOR or applicable bench mark for the respective currency. b. For ECB with average maturity period of more than 5 years – 450 basis points per annum over 6 month LIBOR or applicable bench mark for the respective currency. ii. Penal interest, if any, for default or breach of covenants should not be more than 2 per cent over and above the contracted rate of interest.	i. The maximum spread over the bench mark will be 500 basis points per annum. <ul style="list-style-type: none"> ii. Remaining conditions will be as given under Track I. 	The all-in-cost should be in line with the market conditions.

5. Permitted End-uses

The end-use prescriptions for ECB raised under the three tracks are given in the following table:

Track I	Track II	Track III
1. ECB proceeds can be utilised for capital expenditure in the form of: <ul style="list-style-type: none"> i. Import of capital goods including payment towards import of services, technical know- 	1. The ECB proceeds can be used for all purposes excluding the following: <ul style="list-style-type: none"> i. Real estate activities ii. Investing in capital market iii. Using the proceeds 	NBFCs can use ECB proceeds for: <ul style="list-style-type: none"> a. On-lending to the infrastructure sector; b. providing hypothecated loans to domestic entities for acquisition of

Track I	Track II	Track III
<p>how and license fees, provided the same are part of these capital goods;</p> <p>ii. Local sourcing of capital goods;</p> <p>iii. New project;</p> <p>iv. Modernisation /expansion of existing units;</p> <p>v. Overseas direct investment in Joint ventures (JV)/ Wholly owned subsidiaries (WOS);</p> <p>vi. Acquisition of shares of public sector undertakings at any stage of disinvestment under the disinvestment programme of the Government of India;</p> <p>vii. Refinancing of existing trade credit raised for import of capital goods;</p> <p>viii. Payment of capital goods already shipped / imported but unpaid;</p> <p>ix. Refinancing of existing ECB provided the residual maturity is not reduced.</p> <p>2. SIDBI can raise ECB only for the purpose of on lending to the borrowers in the Micro, Small and Medium Enterprises (MSME sector), where MSME sector is as defined under the MSME Development Act, 2006, as amended from time to time.</p>	<p>for equity investment domestically;</p> <p>iv. On-lending to other entities with any of the above objectives;</p> <p>v. Purchase of land.</p> <p>2. Holding companies can also use ECB proceeds for providing loans to their infrastructure SPVs.</p>	<p>capital goods/equipments; and</p> <p>c. providing capital goods/equipment to domestic entities by way of lease and hire-purchases</p> <p>2. Developers of SEZs/ NMIZs can raise ECB only for providing infrastructure facilities within SEZ/ NMIZ.</p> <p>3. NBFCs-MFI, other eligible MFIs, NGOs and not for profit companies registered under the Companies Act, 1956/2013 can raise ECB only for on-lending to self-help groups or for micro-credit or for bonafide micro finance activity including capacity building.</p> <p>4. For other eligible entities under this track, the ECB proceeds can be used for all purposes excluding the following:</p> <ul style="list-style-type: none"> i. Real estate activities ii. Investing in capital market iii. Using the proceeds for equity investment domestically; iv. On-lending to other entities with any of the above objectives; v. Purchase of land

Track I	Track II	Track III
<p>3. Units of SEZs can raise ECB only for their own requirements.</p> <p>4. Shipping and airlines companies can raise ECB only for import of vessels and aircrafts respectively.</p> <p>5. ECB proceeds can be used for general corporate purpose (including working capital) provided the ECB is raised from the direct / indirect equity holder or from a group company for a minimum average maturity of 5 years.</p> <p>6. ECBs for the following purposes will be considered under the approval route:</p> <ul style="list-style-type: none"> i. Import of second hand goods as per the Director General of Foreign Trade (DGFT) guidelines; ii. On-lending by Exim Bank. 		

6. Individual Limits

- i. The individual limits of ECB that can be raised by eligible entities under the automatic route per financial year for all the three tracks are set out as under:
 - a. Upto USD 750 million or equivalent for the companies in infrastructure and manufacturing sectors;
 - b. Upto USD 200 million or equivalent for companies in software development sector;
 - c. Upto USD 100 million or equivalent for entities engaged in micro finance activities; and
 - d. Upto 500 million or equivalent for remaining entities.

ii. ECB proposals beyond aforesaid limits will come under the approval route. For computation of individual limits under track III, exchange rate prevailing on the date of agreement should be taken into account.

iii. These limits are separate from the limits allowed under the framework for issuance of Rupee denominated bonds overseas.

7. Currency of Borrowing

i. ECB can be raised in any freely convertible currency as well as in Indian Rupees.

ii In case of Rupee denominated ECB, the non-resident lender, other than foreign equity holders, should mobilise Indian Rupees through swaps/outright sale undertaken through an AD Cat I bank in India.

iii. Change of currency of ECB from one convertible foreign currency to any other convertible foreign currency as well as to INR is freely permitted. Change of currency from INR to any foreign currency is, however, not permitted.

iv. Change of currency of ECB into INR can be at the exchange rate prevailing on the date of the agreement between the parties concerned for such change or at an exchange rate which is less than the rate prevailing on the date of agreement if consented to by the ECB lender.

8. Hedging Requirements

The entities raising ECB under the provisions of tracks I and II are required to follow the guidelines issued, if any, by the concerned sectoral or prudential regulator.

9. Security for raising ECB

i. AD Cat I banks are permitted to allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and / or personal guarantees in favour of overseas lender / security trustee, to secure the ECB to be raised / raised by the borrower, subject to satisfying themselves that:

- a. the underlying ECB is in compliance with the extant ECB guidelines,
- b. there exists a security clause in the Loan Agreement requiring the ECB borrower to create charge, in favour of overseas lender / security trustee, on immovable assets / movable assets / financial securities / issuance of corporate and / or personal guarantee, and
- c. No objection certificate, as applicable, from the existing lenders in India has been obtained.

ii. Once aforesaid stipulations are met, the AD Cat I bank may permit creation of charge on immovable assets, movable assets, financial securities and issue of corporate and /

or personal guarantees, during the currency of the ECB with security co-terminating with underlying ECB, subject to the following:

a. Creation of Charge on Immovable Assets

(i) Such security shall be subject to provisions contained in the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000.

(ii) The permission should not be construed as a permission to acquire immovable asset (property) in India, by the overseas lender / security trustee.

(iii) In the event of enforcement / invocation of the charge, the immovable asset / property will have to be sold only to a person resident in India and the sale proceeds shall be repatriated to liquidate the outstanding ECB.

b. Creation of Charge on Movable Assets

In the event of enforcement / invocation of the charge, the claim of the lender, whether the lender takes over the movable asset or otherwise, will be restricted to the outstanding claim against the ECB. Encumbered movable assets may also be taken out of the country subject to getting 'No Objection Certificate' from domestic lender/s, if any.

c. Creation of Charge over Financial Securities

(i) Pledge of shares of the borrowing company held by the promoters as well as in domestic associate companies of the borrower is permitted. Pledge on other financial securities, viz. bonds and debentures, Government Securities, Government Savings Certificates, deposit receipts of securities and units of the Unit Trust of India or of any mutual funds, standing in the name of ECB borrower/promoter, is also permitted.

(ii) In addition, security interest over all current and future loan assets and all current assets including cash and cash equivalents, including Rupee accounts of the borrower with ADs in India, standing in the name of the borrower/promoter, can be used as security for ECB. The Rupee accounts of the borrower/promoter can also be in the form of escrow arrangement or debt service reserve account.

(iii) In case of invocation of pledge, transfer of financial securities shall be in accordance with the extant FDI/FII policy including provisions relating to sectoral cap and pricing as applicable read with the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000.

d. Issue of Corporate or Personal Guarantee

(i) A copy of Board Resolution for the issue of corporate guarantee for the company issuing such guarantee, specifying name of the officials authorised to execute such guarantees on behalf of the company or in individual capacity should be obtained.

(ii) Specific requests from individuals to issue personal guarantee indicating details of the ECB should be obtained.

(iii) Such security shall be subject to provisions contained in the Foreign Exchange Management (Guarantees) Regulations, 2000.

(iv) ECB can be credit enhanced / guaranteed / insured by overseas party / parties only if it / they fulfil/s the criteria of recognised lender under extant ECB guidelines.

10. Issuance of Guarantee, etc. by Indian banks and Financial Institutions:

Issuance of guarantee, standby letter of credit, letter of undertaking or letter of comfort by Indian banks, All India Financial Institutions and NBFCs relating to ECB is not permitted. Further, financial intermediaries (viz. Indian banks, All India Financial Institutions, or NBFCs) shall not invest in FCCBs in any manner whatsoever.

11. Debt Equity Ratio

The borrowing entities will be governed by the leverage ratio prescribed, if any, by the sectoral or prudential regulator concerned.

12. ECB liability: Equity Ratio⁵

In case of ECB raised from direct equity holder under the automatic route, the ECB liability of the borrower (including all outstanding ECBs and the proposed one) towards the foreign equity holder should not be more than four times of the equity contributed by the latter. For ECB raised under the approval route, this ratio should not be more than 7:1. This ratio will not be applicable if total of all ECBs raised by an entity is upto USD 5 million or equivalent.

Notes

5. For the purpose of ECB liability: equity ratio, the paid-up capital, free reserves (including the share premium received in foreign currency) as per the latest audited balance sheet can be reckoned for the purpose of calculating the 'equity' of the foreign equity holder for the purpose of ECB liability to equity ratio. Where there are more than one foreign equity holders in the borrowing company, the portion of the share premium in foreign currency brought in by the lender(s) concerned shall only be considered for calculating the ratio.

13. Parking of ECB proceeds

i. ECB proceeds meant only for foreign currency expenditure can be retained abroad pending utilization. Till utilisation, these funds can be invested in the following liquid assets (a) deposits or Certificate of Deposit or other products offered by banks rated not less than AA (-) by Standard and Poor/ Fitch IBCA or Aa3 by Moody's; (b) Treasury bills and other monetary instruments of one year maturity having minimum rating as indicated above and (c) deposits with overseas branches / subsidiaries of Indian banks abroad.

ii. ECB proceeds meant for Rupee expenditure should be repatriated immediately for credit to their Rupee accounts with AD Cat I banks in India. ECB borrowers are also allowed to park ECB proceeds in term deposits with AD Cat I banks in India for a maximum period of 12 months. These term deposits should be kept in unencumbered position.

14. Conversion of ECB into equity

i. Conversion of ECB into equity is permitted subject to the following conditions:

- a. The activity of the borrowing company is covered under the automatic route for Foreign Direct Investment (FDI) or approval from the Foreign Investment Promotion Board (FIPB), wherever applicable, for foreign equity participation has been obtained as per the extant FDI policy;
- b. The foreign equity holding after such conversion of debt into equity is within the applicable sectoral cap;
- c. Applicable pricing guidelines for shares are complied with.

ii. For conversion of ECB dues into equity, it will be in order to apply the exchange rate prevailing on the date of the agreement between the parties concerned for such conversion. The RBI will have no objection if the borrower company wishes to issue equity shares for a rupee amount less than that arrived at as mentioned above by a mutual agreement with the ECB lender. It may be noted that the fair value of the equity shares to be issued shall be worked out with reference to the date of conversion only.

D. Procedure of raising ECB

15. Entities desirous to raise ECB under the automatic route may approach an AD Cat I bank with their proposal along with duly filled in Form 83 (Annex I). While the primary responsibility for compliance rests with the borrower, the latter should also ensure that the ECB is in compliance with applicable guidelines. For approval route cases, the borrowers may approach the RBI with an application in prescribed format Form ECB (Annex II) for examination through their AD Cat I bank. Such cases shall be considered

keeping in view the overall guidelines, macroeconomic situation and merits of the specific proposals by an Empowered Committee set up by RBI. The Empowered Committee will have external as well as internal members.

E. Reporting Arrangements

16. Any draw-down in respect of an ECB as well as payment of any fees / charges for raising an ECB should happen only after obtaining the LRN from the Reserve Bank. To obtain the LRN, borrowers are required to submit duly certified Form 83 (Annex I), in duplicate to the designated AD Cat I bank. In turn, the AD Cat I bank will forward one copy to the Director, Balance of Payments Statistics Division, Department of Statistics and Information Management (DSIM), Reserve Bank of India, Bandra-Kurla Complex, Mumbai – 400 051. Copies of loan agreement for raising ECB are not required to be submitted to the Reserve Bank. In addition, the borrowers are required to submit a copy of duly certified ECB 2 Return (Annex III) through the AD Cat I bank on monthly basis so as to reach DSIM within seven working days from the close of month to which it relates.

17. In case of partial or full conversion of ECB into equity, the reporting to the RBI will be as under:

i. For partial conversion, the converted portion is to be reported to the concerned Regional Office of the Foreign Exchange Department of RBI in Form FC-GPR prescribed for reporting of FDI flows, while monthly reporting to DSIM in ECB 2 Return (Annex III) will be with suitable remarks "ECB partially converted to equity".

ii. For full conversion, the entire portion is to be reported in Form FC-GPR, while reporting to DSIM in ECB 2 Return should be done with remarks "ECB fully converted to equity". Subsequent filing of ECB 2 Return is not required.

iii. For conversion of ECB into equity in phases, reporting through ECB 2 Return will also be in phases.

F. Powers delegated to AD Cat I banks to deal with ECB cases

18. The designated AD Cat I banks can approve the following requests from the borrowers for changes in respect of ECBs:

i. Changes/Modifications in the Drawdown/Repayment Schedule

Designated AD Cat I banks may approve changes / modifications (irrespective of the number of occasions) in the draw-down and repayment schedules of the ECB whether associated with change in the average maturity period or not and / or with changes (increase/decrease) in the all-in-cost.

ii. Changes in the Currency of Borrowing

Designated AD Cat I banks may allow changes in the currency of borrowing of the ECB to any other freely convertible currency or INR subject to compliance with other prescribed parameters.

iii. Change of the AD Cat I bank

AD Cat I bank can be changed subject to obtaining no objection certificate from the existing AD Cat I bank.

iv. Changes in the name of the Borrower Company

Designated AD Cat I banks may allow changes in the name of the borrower company subject to production of supporting documents evidencing the change in the name from the Registrar of Companies / appropriate authority.

v. Transfer of ECB

AD Cat I banks may allow the cases requiring transfer of the ECB from one company to another on account of re-organisation at the borrower's level in the form of merger / demerger / amalgamation / acquisition duly as per the applicable laws / rules after satisfying themselves that the company acquiring the ECB is an eligible borrower.

vi. Change in the recognized lender

Designated ADs may approve the requests from the ECB borrowers for change in the recognized lender provided (a) the original lender as well as the new lender are recognised lender as per extant ECB guidelines and, (b) there is no change in the other terms and conditions of the ECB. If not, case has to be referred to the Foreign Exchange Department, Central Office, Reserve Bank of India, Mumbai.

vii. Change in the name of Lender

AD Cat I banks may permit changes in the name of the lender of ECB after satisfying themselves with the bonafides of the transactions and ensuring that the ECB continues to be in compliance with applicable guidelines.

viii. Prepayment of ECB

Prepayment of ECB may be allowed by AD Cat I banks subject to compliance with the stipulated minimum average maturity as applicable to the contracted loan under these guidelines.

ix. Cancellation of LRN

The designated AD Cat I bank may directly approach DSIM/RBI for cancellation of LRN for ECBs contracted, subject to ensuring that no draw down against the said LRN has taken place and the monthly ECB-2 returns (Annex III) till date in respect of the allotted LRN have been submitted to DSIM.

x. Change in the end-use of ECB proceeds

The designated AD Cat I bank may approve requests from ECB borrowers for change in end-use in respect of ECBs availed of under the automatic route, provided the proposed end-use is permissible under the automatic route as per the extant ECB guidelines⁶.

Notes:

6. Changes in the end-use of ECBs raised under the approval route will continue to be referred to the Foreign Exchange Department, Central Office, Reserve Bank of India, Mumbai.

xi. Reduction in amount of ECB

Designated AD Cat I banks may approve reduction in the amount of ECB (irrespective of the number of occasions) with or without any changes in draw-down and repayment schedules, average maturity period and all-in-cost subject to the applicable ECB guidelines.

xii. Change in all-in-cost of ECB

The designated AD Cat I banks may approve requests from ECB borrowers for changes (decrease/increase) in all-in-cost of the ECBs irrespective of the number of occasions subject to the applicable ECB norms for automatic route as on date.

xiii. Refinancing of existing ECB

The designated AD Cat I bank may allow refinancing of existing ECB by raising fresh ECB provided the residual maturity is not reduced and all-in-cost of fresh ECB is lower than the existing ECB. Raising of fresh ECB to part refinance the existing ECB is also permitted subject to same conditions.

19. While permitting changes under the delegated powers, the AD Cat I bank should ensure that:

i. The revised average maturity and / or all-in-cost is/are in conformity with the applicable ceilings / guidelines and the changes are effected during the tenure of the ECB and the ECB continues to be in compliance with applicable guidelines.

ii. The changes in the terms and conditions of ECB allowed by the ADs under the powers delegated and / or changes approved by the Reserve Bank should be reported to the DSIM/RBI through revised Form 83 at the earliest, in any case not later than 7 days from the changes effected. While submitting revised Form 83 (Annex I) to the DSIM/RBI, the changes should be specifically mentioned in the communication. Further, these changes should also get reflected in the ECB 2 returns appropriately.

G. Borrowing by Entities under Investigation

20. All entities against which investigations / adjudications / appeals by the law enforcing agencies are pending may raise ECBs as per the applicable norms, if they are otherwise eligible, notwithstanding the pending investigations / adjudications / appeals, without prejudice to the outcome of such investigations / adjudications / appeals. Accordingly, in case of all applications where the borrowing entity has indicated about the pending investigations / adjudications / appeals, the AD Cat I Banks / Reserve Bank while approving the proposal shall intimate the agencies concerned by endorsing a copy of the approval letter.

H. ECB by entities under Joint Lender Forum (JLF) or Corporate Debt Restructuring (CDR)

21. An entity which is under Joint Lender Forum (JLF) / Corporate Debt Restructuring (CDR) can raise ECB only with explicit permission of the JLF / CDR Empowered Committee.

I. Participation of overseas branches / subsidiaries of Indian banks

22. Participation of overseas branches / subsidiaries of Indian banks under Track I is subject to the prudential norms issued by the DBR, RBI. Further, in terms of the extant norms of DBR, Indian banks shall not participate in refinancing of existing ECBs.

Form-83

(Reporting of loan agreement details under Foreign Exchange Management Act, 1999)

To be submitted in duplicate by the borrower to designated Authorised Dealer (AD) for all categories and any amount of external commercial borrowing (ECB). After examining conformity with the extant ECB guidelines, the AD may provide requisite details in Part F of the Form and forward one copy (*within 7 days from the date of signing loan agreement between borrower and lender*) for allotment of Loan Registration Number (LRN) to:

The Director
Balance of Payments Statistics Division
Department of Statistics and Information Management (DSIM)
Reserve Bank of India
C-8-9 Bandra-Kurla Complex
Mumbai – 400 051

Agreement Details (To be filled by borrowers of External Commercial Borrowings)									
ECB under (Tick one) >>		Approval Route			Automatic Route				
In case of Approval Route									
No. and Date of RBI-FED approval: (attach copy of approval letter)									
Loan Key Number (allotted by RBI)									
Earlier Loan Registration No. (Applicable only for Revised Form-83)									

Part A: Borrower details	
Name and address of the Borrower (in BLOCK letters) Registration Number given by the Registrar of Companies: PAN Number of Company: Business Activity: Contact Official's Name: Designation: Phone No. : Fax No. : E-mail ID : (No item should be left blank)	Borrower Category (Tick one)
	Public Sector
	Private Sector
	Detailed Category (Tick one)
	Corporate - Manufacturing
	Corporate - Infrastructure
	Corporate –Service Sector - (Hotels, Hospitals and Software)
	Corporate – Service Sector – (Other than Hotels, Hospitals and Software)
	Bank
	Financial Institution (other than NBFC)
	NBFC- IFC
	NBFC- MFI
	NBFC- Others
Non-Government Organization (NGO)	
Micro Finance Institution (MFI)	
Others (Specify)	
Part B: Lender details	
Name and address of the lender/ lessor /foreign supplier (in BLOCK letters) Country: E-mail ID : (No item should be left blank)	Lender Category (Tick one)
	Multilateral Financial Institution
	Foreign Government (Bilateral Agency)
	Export Credit Agency
	Indian Commercial Bank branch abroad
	Other Commercial Bank
	Supplier of Equipment
	Leasing Company
	Foreign Collaborator / Foreign Equity Holder
	International Capital Market
	Regional Financial Institution
Government Owned Development Financial Institution	

					Others (Specify)						
Details of foreign equity holding of the lender in the borrower company: (a) Share in paid-up equity of the borrower (%)					(b) Amount of paid-up capital						
ECB-Liability: equity ratio in case of borrowings above USD 5 million from foreign equity holder :											
Part C: Loan Details											
Loan Agreement Date (YYYY/MM/DD)							/			/	
Effective Date of the Loan							/			/	
Last Date of Disbursement							/			/	
Maturity Date (Last payment date)							/			/	
Grace Period (if in agreement)			Years					Months			
Currency Name 1. 2. 3.							Currency Code (SWIFT)				
Amount (in Foreign Currency) 1. 2. 3.											
Equivalent Amount (in US Dollars) (as on date of this form)											
Proposed Bifurcation of the amount (in loan currency)			Foreign Currency Expenditure				Rupee Expenditure				
Hedging details (Tick one)		Currency Swap		Interest Rate Swap			Others		Unhedged		
In case options are provided in the loan agreement (tick in the appropriate box)											
Call Option		___ per cent of Debt		Can be executed after date					/		/
Put Option		___ per cent of Debt		Can be executed after date					/		/
Name and address of the Guarantor (in Block letters)											
Contact Official's Name:											
Designation :											
Phone No.:			Fax No.:			E-mail id:					
Guarantee Status Code (as per Box 1):											
Borrowing Purpose Code (as per Box 2): (In case of multiple purpose, give break up of amount to be utilised under each purpose as Annex)											
Project Details:											
If import , specify the Country of import (if more than one country, attach details as Annex):											
Economic Sector/ Industry Code (See Box-3)											
Type of ECB (Tick in appropriate box)											
1. Buyers' Credit		2. Commercial Loan / Syndicated Loan (attach sheet for percentage distribution among lenders)									
3. Suppliers' Credit		4. Export Credit from Bilateral Sources									
5. Line of Credit		6. Securitised Instruments (Bonds, CP, FRN, etc.)									
7. Financial Lease		8. FCCB, FCEB, Non-Convertible Preference Shares, Optionally Convertible Preference Shares, Partially Convertible Preference Shares									

9. Refinancing of old ECBs		LRN of the old ECB:		Approval No.		Date of Approval:	
		Amount refinanced:		Reason:			
10. Others (Specify)							

Interest Payment Schedule

First Payment Date				/		/		No. of payments per year	
Fixed Rate									
Floating Rate	Base with currency		Margin		Cap Rate		Floor Rate		

Drawdown Schedule

Tranche No.	Date* (YYYY-MM-DD)	Currency	Amount	If more than one equal installment#	
				Total No. of drawals	No. of drawals in a calendar year

* 1. In case of import of goods or services, date of import is to be furnished against date of drawdown.
 2. In case of financial lease, date of acquisition (import) of the goods is to be mentioned as date of drawdown.
 3. In case securitised instruments, date of issue has to be shown as date of drawdown.
 4. In case of more than one equal drawdown transactions are shown in a row, the first date of transaction should be mentioned.
 # If drawdown is in unequal installments, details should be given in Annex.

Principal Repayment Schedule

Date (YYYY-MM-DD)	Currency	Amount	If more than one equal installments #	
			Total No. of payments	No. of payments in a calendar year

If repayment is in unequal instalments, details should be given in Annex.

Part D: Other Charges

Specify Nature of charge	Expected Date of Payment	Currency	Amount	In case of multiple equal payments	
				No. of payments in a year	Total number of payments

Penal Interest for late payments	Fixed	% or Base:	Margin:
Commitment Charges		% per annum of:	% of Undrawn Amount:

Part E: Details of ECB already availed (not applicable for the first-time borrower)

Year	Loan Reg.No. (LRN)	Currency	Amount of Loan		
			Principal (as per agreement)	Disbursed so far	Net outstanding (Principal)

We hereby certify that the particulars given above are true and correct to the best of our knowledge and belief and no material information has been withheld and/or misrepresented. Furthermore, the ECB is in compliance with the extant ECB guidelines.

Place: _____
 Date: _____ Stamp _____ Name: _____ Designation: _____
 (Signature of the Authorised Official of the Company)

Place: _____

(Signature of Company Secretary/ Chartered Accountant)

Date: _____ Stamp

Name: _____

Registration No.: _____

Part F: [To be filled-in by the Authorised Dealer]

We have scrutinized the related documents and confirm the following:

1	End-use (give % share if more than one end-use)	(i) (ii) (iii)	Tick one		
			Permissible under Automatic Route	Approved by Foreign Exchange Department, RBI under Approval Route	
2	Average Maturity	Years		Months	
3	Cost Factors (%)	Fixed Rate Loan	Floating Rate Loan		
			Margin (spread) over base		Base
			a) Interest Rate		
	b) All-in-cost				
4	In case of loan from 'Foreign Equity Holder', it is confirmed that: a) Direct equity holding of lender is at least 25per cent of the paid-up equity (as per FCGPR taken on record by RBI / FCTRS return taken on record) b) Including the proposed borrowing, the "ECB Liability – Equity Ratio" (4:1) criteria is satisfied for borrowings of more than US \$ 5 million				
5	Borrower has given written undertaking to AD to the effect that it has been submitting ECB-2 Returns regularly to RBI in respect of past ECB/FCCB loans)			Yes/ Not Applicable	
6	Other important facts relevant for the allotment of LRN				

We certify that the borrower is our customer and the particulars given in this Form are true and correct to the best of our knowledge and belief. This application complies with the extant ECB guidelines and we recommend it for allotment of Loan Registration Number (LRN) by RBI.

Place: _____

Stamp

(Signature of the Authorised Official)

Date: _____

Name: _____ Designation: _____

Name of the bank/ branch _____

AD Code (Part I and Part II): _____

Tel.No.: _____ Fax No. _____

e-mail ID: _____

For RBI (DSIM) Use only

CS-DRMS Team	Received on	Action Taken on	Loan Classification
LRN (if allotted)			

Instructions for Submitting Form 83

1. All dates should be in the format YYYY/MM/DD (e.g., 2012/01/21 for January 21, 2012).
2. No item should be left blank. In case, any item is not applicable, write 'N.A.' against it.
3. If space is not sufficient for giving full details against any item, separate sheet(s) may be attached to the Form and serially numbered as Annex. Each such Annex should be certified by both the borrower and AD.
4. The borrower should give a brief description of his business activity (whether in manufacturing/ trade/ provide services etc.) for the AD's use.
5. Before forwarding the Form to the Reserve Bank of India, AD must ensure that the form is complete in all respects and scrutinise all the related original documents at its end. Incomplete Forms are liable to be rejected/returned by RBI to AD.
6. Firms/ companies obtaining sub-loans through DFIs/ FIs/ banks/ NBFCs etc. should not complete this form but approach the concerned financial institutions directly for reporting.
7. Following codes are for use in filling Part C of the Form:

Box I: Guarantee Status Code		
Sr.No.	Code	Description
1	GG	Govt. of India guarantee
2	CG	Public Sector guarantee
3	PB	Public Sector Bank guarantee
4	FI	Financial Institution guarantee
5	MB	Multilateral/ Bilateral Institution guarantee
6	PG	Private Bank guarantee
7	PS	Private Sector guarantee
8	MS	Mortgage of assets/ security
9	OG	Other guarantee
10	NN	Not guaranteed

Box II: Borrowing Purpose Code		
Sr.No.	Code	Description
1	IC	Import of capital goods
2	RL	Local sourcing of capital goods (Rupee expenditure)
3	SL	On-lending or sub-lending
4	RF	Refinancing of earlier ECB
5	NP	New Project
6	ME	Modernisation/Expansion of existing units
7	PW	Power
8	TL	Telecommunication
9	RW	Railways
10	RD	Roads
11	PT	Ports
12	IS	Industrial Parks
13	UI	Urban infrastructure
14	OI	Overseas investment in JV/ WOS
15	DI	PSU Disinvestment
16	TS	Textile/Steel Restructuring Package
17	MF	Micro Finance activity
18	OT	Others (specify)
19	ER	Mining, Exploration and Refining
20	CS	Cold storage or cold room facility
21	CI	Interest during construction
22	RR	Refinancing of rupee loans
23	RB	Redemption of FCCBs

Box 3: Industry Code		
Industry group name	Industry description	Code
Plantations (100)	Tea	111
	Coffee	112
	Rubber	113
	Others	119
Mining (200)	Coal	211
	Metal	212
	Others	219
Petroleum & petroleum products manufacturing		300
Agricultural products (400)	Food	411
	Beverages	412
	Sugar	413
	Cigarettes & Tobacco	414
	Breweries & distilleries	415
	Others	419
Textile products (420)	Cotton textile	421
	Jute & coir goods	422
	Silk & rayon	423
	Other textile	429
Transport equipment (430)	Automobiles	431
	Auto accessories & parts	432
	Ship building equipments & stores	433
	Railway equipment & stores	434
	Others	439
Machinery & tools (440)	Textile machinery	441
	Agricultural machinery	442
	Machine tools	443
	Others	449
Metal & metal products (450)	Ferrous (iron & steel)	451
	Non-ferrous	452
	Special alloys	453
	Others	459
	Electrical electronic goods & machinery (460)	Electrical goods
Cables		462
Computer hardware & computer based systems		463
Electronic valves, tubes & others		464
Others		469
Chemicals & Allied products (470)		Fertilizers
	Dyes & dyes stuff	472
	Medicines & pharmaceuticals	473
	Paints & varnishing	474
	Soaps, detergents, shampoos, shaving product	475
	Others	479
Others of manufacturing (480)	Cement	481
	Other Building Materials	482
	Leather and leather products	483
	Wood products	484
	Rubber goods	485
	Paper & paper products	486
	Typewriters & other office equipment	487
	Printing & publishing	488
	Miscellaneous	489
Trading		500
Construction & turn-key projects		600
Transport		700
Utilities (800)	Power generation, transmission & distribution	811
	Others	812
Banking sector		888
Services (900)	Telecommunication services	911

	Software development services	912
	Technical engineering & consultancy services	913
	Tours & travels services	914
	Cold storage, canning & warehousing services	915
	Media advertising & entertainment services	916
	Financial services	917
	Transport services	919
	Others	950
Others (not elsewhere classified)		999

Form ECB

Application for raising External Commercial Borrowings (ECB) under Approval Route**Instructions**

The complete application should be submitted by the applicant through the designated authorised dealer to the Principal Chief General Manager, Foreign Exchange Department, Central Office, ECB Division, Reserve Bank of India, Mumbai 400 001.

Documentation:

Following documents, (as relevant) certified by authorised dealer, should be forwarded with the application:

- (i) A copy of offer letter from the overseas lender/supplier furnishing complete details of the terms and conditions of proposed ECB.
- (ii) A copy of the import contract, proforma/commercial invoice/bill of lading.

PART-A- GENERAL INFORMATION ABOUT THE BORROWER

1. Name of the applicant
(BLOCK LETTERS)
Address

2. Status of the applicant
i) Private Sector
ii) Public Sector

PART-B-INFORMATION ABOUT THE PROPOSED ECB

	Currency	Amount	US\$ equivalent
1. Details of the ECB			

(a) Purpose of the ECB

PART D – ADDITIONAL INFORMATION

Information about the project

- i) Name & location of the project :
- ii) Total cost of the project : Rs. USD
- iii) Total ECB as a % of project cost :
- iv) Nature of the project :
- v) Whether Appraised by financial institution/bank :
- vi) Infrastructure Sector :
 - a) Power
 - b) Telecommunication
 - c) Railways
 - d) Roads including bridges
 - e) Ports
 - f) Industrial parks
 - g) Urban infrastructure - Water supply, Sanitation and sewerage.
- vii) Whether requires clearance from any : statutory authority ? If yes, furnish the name of authority, clearance no. and date.

2. ECB already availed -(not applicable for the first time borrower)					
Year	Registration No.	Currency	Loan Amount	Amount disbursed	Amount outstanding*

* net of repayments, if any, on the date of application.

PART E – CERTIFICATIONS

1. By the applicant

We hereby certify that -

- (i) the particulars given above are true and correct to the best of our knowledge and belief.
- (ii) the ECB to be raised will be utilised for permitted purposes

(Signature of Authorised Official of the applicant)

Place _____

Date _____ Stamp _____

Name: _____

Designation _____

Phone No. _____

Fax _____

E-mail _____

2. By the authorised dealer –

We hereby certify that –

- (i) the applicant is our customer.
- (ii) we have scrutinized the application and the original letter of offer from the lender/supplier and documents relating to proposed borrowing and found the same to be in order.

(Signature of Authorised Official)

Place _____

Date _____ Stamp _____

Name _____

Name of the Bank/branch _____

A.D.Code _____

Annex III

ECB - 2

Reporting of actual transactions of External Commercial Borrowings (ECB) under Foreign Exchange Management Act, 1999 (for all categories and any amount of loan)

Return for the Month of _____.

1. This return should be filled in for all categories of ECB. It should be submitted within 7 working days from the close of the month through the designated Authorised Dealer to the Director, Department of Statistics and Information Management (DSIM), Balance of Payments Statistics Division, Reserve Bank of India, C-8/9, Bandra-Kurla Complex, Bandra (East), Mumbai-400 051. If there is no transaction during a particular period, a **Nil Return** should be submitted.
2. Please do not leave any column blank. Furnish complete particulars against each item. In case an item is not applicable, write "N.A." against it.
3. All dates should be in format YYYY/MM/DD (e.g., 2012/01/21 for January 21, 2012).
4. Borrowers obtaining sub-loans through DFIs/Banks/NBFCs etc. should not complete this form as the concerned financial institution would directly submit ECB-2.
5. The Company Secretary / Chartered Accountant must scrutinise related original documents and ensure that the return is complete and in order as per ECB guidelines issued by Government/RBI, before forwarding it to RBI.
6. Loan Registration Number should be specified for all the loans approved after February 01, 2004. For earlier loans, Loan Identification Number (LIN) / Registration Number allotted by RBI should be specified.
7. If space is not sufficient for giving full information against any item, a separate sheet may be attached to the return and serially numbered as Annex.
8. Following purpose codes for use in Part C (Utilisation).

Code	Description	Code	Description
IC	Import of capital goods	PT	Ports
IN	Import of non-capital goods	IS	Industrial parks
RL	Local sourcing of capital goods (Rupee expenditure)	UI	Urban infrastructure
RC	Working Capital (Rupee expenditure)	OI	Overseas Investment in JV/WOS
SL	On-lending or sub-lending	IT	Development of Integrated Township
RP	Repayment of earlier ECB	DI	PSU Disinvestment
IP	Interest payments	TS	Textile/Steel Restructuring Package
HA	Amount held abroad	MF	Micro Finance Activity
NP	New project	OT	Others (Pl. specify)
ME	Modernisation /Expansion of existing units	ER	Mining, Exploration and Refining
PW	Power	CS	Cold storage or cold room facility
TL	Telecommunication	CI	Interest during construction
RW	Railways	RR	Refinancing of rupee loans
RD	Roads	RB	Redemption of FCCBs

9. Following codes for use in Part D (Debt Servicing) for source of remittance:

Code	Description
A	Remittance from India
B	Account held abroad

C	Export proceeds held abroad
D	Conversion of equity capital
E	Others (Specify)

Part A: Loan Identification Particulars

Loan Registration Number (LRN)									
---------------------------------------	--	--	--	--	--	--	--	--	--

Loan Amount			Borrower Particulars	
	Currency	Amount	Name and address of the Borrower (Block Letters)	
As per Agreement			Contact Person's Name: Designation: Phone No. : Fax no. : E-mail ID :	
Revised (please indicate if period of disbursement elapsed/ Cancelled/ not to be drawn in future)				

Part B: Disbursement

B.1: Draw-down (Disbursement) during the month (in loan currency) :

Particulars	Date (YYYY/MM/DD)	Currency	Amount	Name of Bank/branch	Account No.
A. Amount Parked Abroad					
B. Amount Remitted to India				Not Required	

Notes: 1. In the case of import of goods or services, date of import may be furnished against date of drawdown.
 2. In the case of financial lease date of acquisition of the goods is to be mentioned as date of drawdown.
 3. In the case of securitised instruments, date of issue may be shown as date of drawdown
 4. In the case of multi-currency loan a separate block(s) may be attached to the return

B.2: Balance amount of loan to be drawn in future:

Expected Date of drawdown	Currency	Amount	If more than one equal installment	
			Total number of drawals	No. of drawals in a calendar year

Part C : Utilisation

C.1: Details of utilisation of drawdowns (only Principal amount) during the month:

Particulars	Date	Purpose code *	Currency	Amount	Country	Name of Bank	Account No.
From Amount Held Abroad							
From Amount Remitted to India					Not Required		

* Codes as per note 8 on page 1.

C.2: Outstanding Balance amount (principal only) parked abroad:

Particulars	Date	Currency	Amount	Name of bank and branch	Account No.
as at month-end					

Part D : Debt Servicing**D.1: Principal Repayment, Interest payment etc. during the month (in loan currency):**

Tranche No.	Purpose	Date of Remittance	Currency	Amount	Code* for Source of remittance	Whether Prepayment of Principal (Y/N) #
	Principal Repayment @					
	Interest @ rate					
	Others (Specify)					

* Codes as per note 9 on page 1.
In case of prepayment please provide details of Automatic / Approval Route No., Date, Amount as Annex.
@ In case of conversion of FCCB/ECB into equity, Buyback/Redemption of outstanding FCCB or write-off of ECB principal amount, the transactions still to be shown against Principal Repayment with appropriate remarks.

D.2: Revised Principal Repayment Schedule (if revised / entered into Interest rate swap):

Date (YYYY/MM/DD) (First repayment date)	Currency	Amount in Loan Currency in each transactions	If more than one equal installments		Annuity Rate (if annuity payment)
			Total Number of installments	No. of payments in a calendar year (1, 2, 3, 4, 6, 12)	

Part E : Others**E.1 Details of Financial Hedge Contracted (if any):**

Details	Type	Currency Swap	Forward	Options	Others	Total amount	Interest Rate Swap
Principal	FCy - Rupee						
	FCy - FCy						
Coupon	FCy - Rupee						
	FCy - FCy						

FCy – Foreign Currency

E.2 Details of Foreign Exchange Earnings and Expenditure (if any):

Average annual amount (approximate) for last three financial years (to be reported in any one foreign currency):

Financial Year	Currency	Foreign Currency Earnings	Foreign Currency Expenditure

Part F: Outstanding Principal Amount

Outstanding loan Amount (in Loan Currency):

(i.e., total drawdown less total repayments at month-end)

Currency _____

--	--	--

 Amount: _____

We hereby certify that the particulars given above are true and correct to the best of our knowledge and belief. No material information has been withheld and / or misrepresented.

Place : _____

Stamp

Signature of Authorised Official of borrowing company

Date : _____

Name : _____

Designation : _____

Telephone No.: _____

Certificate from Company Secretary / Chartered Accountant

We hereby certify that the ECB availed in terms of approval granted by Government or RBI or under approval route / automatic route is duly accounted in the books of accounts. Further, ECB proceeds have been utilised by the borrower for the purpose of _____. We have verified all the related documents and records connected with the utilisation of ECB proceeds and found these to be in order and in accordance with the terms and conditions of the loan agreement and with the approval granted by GoI (MoF) or RBI or under approval route / automatic route and is in conformity with the applicable ECB Guidelines.

Authorised Signatory

Name & Address

Place :

Registration No.

Date :

[Stamp]

Certificate by an Authorised Dealer

We hereby certify that the information furnished above with regard to debt servicing, outstanding and repayment schedule is true and correct as per our record. The drawal, utilisation and repayment of the ECB have been scrutinised and it is certified that such drawal , utilisation and repayments of ECB are in compliance with ECB guidelines

Signature of Authorised Dealer

Place : _____

Name : _____

Date : _____

Designation : _____

Telephone No. : _____

Name & Address of Authorised Dealer: _____

E-mail ID: _____