



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2008-09/460
A.P. (DIR Series) Circular No. 64

April 28, 2009

To

All Category-I Authorised Dealer Banks

Madam / Sir,

External Commercial Borrowings (ECB) Policy - Liberalisation

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to the [A.P. \(DIR Series\) Circular No. 46 dated January 2, 2009](#) relating to External Commercial Borrowings (ECB) and in terms of Para 2 of the circular, it was decided to dispense with the requirement of all-in-cost ceilings on ECB, under the approval route, until June 30, 2009. Accordingly, eligible borrowers, proposing to avail of ECB beyond the prescribed all-in-cost ceilings could approach the Reserve Bank, under the approval route.

2. As announced in [Para 107 of the Annual Policy Statement 2009-10](#) and considering the continuing pressure on credit spreads in the international markets, it has been decided to extend the relaxation in all-in-cost ceilings, under the approval route, until December 31, 2009. This relaxation will be reviewed in December 2009.

3. The modifications to the ECB guidelines shall come into force with immediate effect. All other aspects of ECB policy, such as USD 500 million limit per company per financial year under the Automatic Route, eligible borrower, recognised lender, end-use, average maturity period, prepayment, refinancing of existing ECB and reporting arrangements remain unchanged.

4. Necessary amendments to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 dated May 3, 2000 are being issued separately.

5. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10(4) and 11 (1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully

(Salim Gangadharan)
Chief General Manager –in -Charge