



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

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**RBI/2011-12/340**

**A. P. (DIR Series) Circular No.64**

**January 05, 2012**

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB)**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000, notified vide [Notification No. FEMA 3/2000-RB dated May 3, 2000](#), amended from time to time, Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004 issued vide [Notification No.FEMA.120/RB-2004 dated July 7, 2004](#), as amended from time to time, [A.P. \(DIR Series\) Circular No. 5 dated August 1, 2005](#), as amended from time to time, [A.P. \(DIR Series\) Circular No.17 dated December 4, 2006](#), [A.P. \(DIR Series\) Circular No. 1 dated July 04, 2011](#) and [A.P. \(DIR Series\) Circular No. 27 dated September 23, 2011](#) relating to the External Commercial Borrowings (ECB).

2. The ECB limit for eligible borrowers under the automatic route was enhanced to USD 750 million or equivalent per financial year per borrower for permissible end-uses under the automatic route vide A.P. (DIR Series) Circular No. 27 dated September 23, 2011. Consequent to the enhancement in limits, the revised average maturity guidelines under the automatic route are as follows:-

- a) ECB up to USD 20 million or equivalent in a financial year with minimum average maturity of three years; and
- b) ECB above USD 20 million and up to USD 750 million or equivalent with minimum average maturity of five years.

3. Accordingly, the requirement of average maturity period, prepayment and call / put options specified vide A.P. (DIR Series) Circular No.17 dated December 4, 2006 (for additional amount of USD 250 million) has been dispensed with.

4. It is also clarified that the eligible borrowers under the automatic route can raise Foreign Currency Convertible Bonds (FCCBs) up to USD 750 million or equivalent per financial year for permissible end-uses. Similarly, corporates in specified service sectors, viz. hotel, hospital and software, can raise FCCBs up to USD 200 million or equivalent for permissible end-uses during a financial year subject to the condition that the proceeds of the ECB should not be used for acquisition of land.

5. Vide para 2(viii) of A.P. (DIR Series) Circular No.01 dated July 04, 2011, ECB / FCCB availed of for the purpose of refinancing the existing outstanding FCCB were to be reckoned as part of the limit of USD 500 million available under the automatic route as per the extant norms. Consequent to the enhancement in the limits under the automatic route, it is clarified that the ECB / FCCB availed of for the purpose of refinancing the existing outstanding FCCB will be reckoned as part of the limit of USD 750 million available under the automatic route as per the extant norms.

6. All other aspects of the ECB policy, such as eligible borrower, recognised lender, all-in-cost, end-use, prepayment, refinancing of existing ECB and reporting arrangements shall remain unchanged.

7. Necessary amendments to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 dated May 3, 2000 and Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004 dated July 7, 2004 are being issued separately wherever necessary.

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

9. 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 are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(Dr. Sujatha Elizabeth Prasad)**  
**Chief General Manager**