



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

RBI/2013-14/584

May 9, 2014

A.P. (DIR Series) Circular No.128

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**External Commercial Borrowings (ECB) Policy:
Re-schedulement of ECB - Simplification of procedure**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the instructions contained in [A.P. \(DIR Series\) Circular No.33 dated February 09, 2010](#) in terms of which AD Category – banks are permitted to approve changes / modifications in the drawdown / repayment schedule of the ECBs already availed, both under the approval and the automatic routes, subject to the conditions. However, any elongation / rollover in the repayment on expiry of the original maturity of the ECB requires the prior approval of the Reserve Bank.

2. As a measure of simplification of the existing procedures, it has been decided to delegate the power to the designated AD Category – I bank to allow re-schedulement of ECB due to changes in draw-down schedule and / or repayment schedule with the following conditions:

- i. Changes, if any, in all-in-cost (AIC) is only on account of the change in average maturity period (AMP) due to re-schedulement of ECB and post re-schedulement, the AIC and the AMP are in conformity with applicable guidelines. There should not be any increase in the rate of interest and no additional cost (in foreign currency / Indian Rupees) should be involved.
- ii. The re-schedulement is allowed only once, before the maturity of the ECB.
- iii. If the lender is an overseas branch of a domestic bank, the prudential norms applicable on account of re-schedulement should be complied with.

- iv. The changes on account of re-schedulement should be reported to DSIM through revised Form 83.
 - v. The ECB should be in compliance with all applicable guidelines related to eligible borrower, recognised lender, AIC, AMP, end-uses, etc.
 - vi. The borrower should not be in the default / caution list of RBI and should not be under the investigation of Directorate of Enforcement.
3. The facility will be available for **ECBs raised both under the automatic and approval routes**. Provisions of this Circular do not apply to FCCBs.
4. The modification to the ECB policy will come into force with immediate effect. All other aspects of the ECB policy shall remain unchanged.
5. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.
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 are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(Rudra Narayan Kar)
Chief General Manager-in-Charge