

**External Commercial Borrowings (ECBs) – Prepayment
A.P.(DIR Series) Circular No.82 (March 1, 2003)**

Reserve Bank of India
Exchange Control Department
Central Office
Mumbai 400 001

A.P.(DIR Series) Circular No.82

March 1, 2003

To

All Authorised Dealers in Foreign Exchange

Madam/Sir,

External Commercial Borrowings (ECBs) – Prepayment

Attention of Authorised Dealers is invited to A.P.(DIR Series) Circular No.22 dated September 17, 2002 in terms of which automatic route for prepayment of ECBs was liberalised and made available to all category of borrowers without any conditions upto USD 100 million if prepaid out of local resources/market purchases. There was, however, no limit if prepayment is made out of balances held in Exchange Earners' Foreign Currency (EEFC) account or out of inflow of foreign exchange through fresh equity.

2. It has now been decided to remove the ceiling of USD 100 million for prepayment out of local resources/market purchases. Authorised Dealers may therefore, allow remittances towards prepayment of outstanding ECBs without any limit.
3. All other conditions stipulated in the circular referred to above shall remain unchanged.
4. The facility under the automatic route for prepayment of ECBs as contained in this circular will be available till further notice, subject to review.
5. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.
6. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie

Chief General Manager