



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

**RBI/2011 -12/273**

**A. P. (DIR Series) Circular No. 51**

**November 23 , 2011**

To,

All Category - I Authorised Dealer Banks

Dear Madam / Sir,

**External Commercial Borrowings (ECB) Policy**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A. P. \(DIR Series\) Circular No. 19 dated December 9, 2009](#) relating to the all-in-cost ceiling of External Commercial Borrowings ( ECB ).

2. On a review of developments in the global financial markets and the fact that borrowers are experiencing difficulties in raising ECBs within the existing all-in-cost ceiling, it has been decided to revise the all-in-cost ceiling for ECB as under:

<b>Average Maturity Period</b>	<b>All-in-cost over 6 month LIBOR*</b>	
	<b>Existing</b>	<b>Revised</b>
Three years and up to five years	300 bps	350 bps
More than five years	500 bps	500 bps ( no change)

\* for the respective currency of borrowing or applicable benchmark

3. The enhancement in all-in-cost ceiling is applicable up to March 31, 2012 and subject to review thereafter. The change in the all-in-cost ceiling will come into force immediately. All other aspects of ECB policy remain unchanged.

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

5. 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,

**(Rashmi Fauzdar)**  
**Chief General Manager**

<b>Related Press Release</b>	
<b>Nov 23, 2011</b>	<a href="#"><u>ECB Policy modified: All-in-cost Ceiling enhanced; ECB raised for Rupee Outlay to be brought in Immediately</u></a>