



RBI/2011-12/414

A. P. (DIR Series) Circular No.85

February 29, 2012

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) for Infrastructure facilities within
National Manufacturing Investment Zone (NMIZ)**

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](#), as amended from time to time and [A.P. \(DIR Series\) Circular No. 5 dated August 1, 2005](#), as amended from time to time.

2. As per the extant guidelines, availing of ECB is permissible for the infrastructure sector, which is defined to include (i) power, (ii) telecommunication, (iii) railways, (iv) road including bridges, (v) sea port and airport, (vi) industrial parks, (vii) urban infrastructure (water supply, sanitation and sewage projects), (viii) mining, refining and exploration and (ix) cold storage or cold room facility, including for farm level pre-cooling, for preservation or storage of agricultural and allied produce, marine products and meat. Developers of SEZ were also allowed to provide such infrastructure facilities within the SEZ.

3. Keeping in view the infrastructural needs of the proposed National Manufacturing Investment Zones (NMIZs), it has now been decided to allow developers of NMIZ also to avail of ECB under the "**approval route**" for providing infrastructure facilities within the NMIZ, as indicated above.

4. The modifications to the ECB policy will come into force with immediate effect. All other aspects of the ECB policy, such as, recognised lender, average maturity, all-in-cost, prepayment, refinancing of existing ECB and reporting arrangements 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,

(Rashmi Fauzdar)
Chief General Manager

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