



RBI/2011-12/520

A. P. (DIR Series) Circular No. 112

April 20, 2012

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) Policy –  
Refinancing/Rescheduling of 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](#) and [A.P. \(DIR Series\) Circular No. 5 dated August 1, 2005](#), as amended from time to time.

2. As per the extant guidelines, existing ECB may be refinanced by raising a fresh ECB subject to the condition that the fresh ECB is raised at a lower all-in-cost.
3. On a review, it has been decided that the borrowers desirous of refinancing an existing ECB can raise fresh ECB at a higher all-in-cost/reschedule an existing ECB at a higher all-in-cost **under the approval route** subject to the condition that the enhanced all-in-cost does not exceed the all-in-cost ceiling prescribed as per the extant guidelines.
4. The modifications to the ECB policy will come into force with immediate effect and will be subject to review. All other aspects of ECB policy remain unchanged.
5. Necessary amendments to the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 dated May 3, 2000 are being issued separately wherever necessary.
6. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

7. 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**