



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

RBI/2013-14/323

A.P. (DIR Series) Circular No. 61

October 10, 2013

To

All Category - I Authorised Dealer Banks

Madam / Sir,

Overseas Foreign Currency Borrowings by Authorised Dealer Banks

Attention of Authorised Dealer Category I banks is invited to Regulation no. (4)(2)(i) of [Notification No. FEMA 3/RB-2000 dated May 3, 2000](#) as amended from time to time and A.P.(DIR Series) circular no. 23 dated October 15, 2008 in terms of which, inter alia, AD Category - I banks may borrow funds from their Head Office, overseas branches and correspondents and avail overdraft in the nostro accounts up to a limit of hundred per cent of their unimpaired Tier I capital as at the close of the previous quarter or USD 10 million (or its equivalent), whichever is higher (excluding borrowings for financing of export credit in foreign currency and capital instruments).

2. With a view to providing greater flexibility to AD Category - I banks in seeking access to overseas funds, Reserve Bank has amended Regulation no. (4)(2)(i) vide [Notification No.FEMA.288/2013-RB dated September 26, 2013](#) published in the Official Gazette vide G.S.R.No.668 (E) on October 1, 2013. Henceforth, authorised dealers may borrow from their Head Office or overseas branches or correspondents outside India or any other entity as permitted by Reserve Bank up to hundred per cent of its unimpaired Tier I capital or USD 10 million, whichever is higher, subject to such conditions as the Reserve Bank may direct. A copy of the amendment notification is placed as annex to this circular.

3. Accordingly, permission is hereby granted to AD Category I banks to borrow from international / multilateral financial institutions for a limited period up to November 30, 2013. Such borrowings should be for the purpose of general

banking business and not for capital augmentation and shall be subject to the conditions stipulated in the [A.P. \(DIR Series\) circulars no. 40, 2013 dated September 10, 2013](#). Further, such borrowings shall be eligible for the concessional swap facility of RBI as per A.P. (DIR Series) circulars no. 40, 2013 dated September 10, 2013 and [54 dated September 25, 2013](#).

4. 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 is without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully

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