



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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November 23, 2011

**ECB Policy modified: All-in-cost Ceiling enhanced;
ECB raised for Rupee Outlay to be brought in Immediately**

On a review of the developments in the global financial markets and current macro-economic conditions, it has been decided, in consultation with the Government of India, to modify certain aspects of the External Commercial Borrowings (ECB) policy as under:

(i) Enhancement in all-in-cost ceiling

The all-in-cost for ECBs has been revised as under:

Average Maturity Period	All-in-cost over 6 month LIBOR*	
	Existing	Revised
Three and up to five years	300 bps	350 bps
More than five years	500 bps	500 bps

* for the respective currency of credit or applicable benchmark

(ii) Parking of ECB Proceeds

The proceeds of the ECB raised abroad for Rupee expenditure in India, such as, local sourcing of capital goods, on-lending to Self-Help Groups or for micro credit, payment for spectrum allocation, etc., should be brought immediately for credit to Rupee accounts with AD Category I banks in India. In other words, ECB proceeds meant only for foreign currency expenditure can be retained abroad pending utilisation. As hitherto, however, the Rupee funds will not be permitted to be used for investment in capital markets, real estate or for inter-corporate lending.

These amendments in ECB policy will come into force immediately and the enhancement in all-in-cost ceiling is applicable up to March 31, 2012 subject to review thereafter.

Detailed instructions have been issued vide [A. P. \(DIR Series\) Circular Nos . 51](#) and [52](#) dated November 23, 2011.

Press Release : 2011-2012/816

Alpana Killawala
Chief General Manager

Related Press Release	
Nov 23, 2011	External Commercial Borrowings (ECB) Policy
Nov 23, 2011	External Commercial Borrowings (ECB) Policy – Parking of ECB proceeds