



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

Department of Communication, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 022-2266 0502

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Reserve Bank relaxes end-use stipulations under External Commercial Borrowings Framework for Corporates and NBFCs

Based on the feedback from stakeholders and with a view to further liberalise the ECB framework, it has been decided, in consultation with the Government of India, to relax the end-use restrictions relating to external commercial borrowings for Working Capital requirements, General Corporate purposes and Repayment of rupee loans. Accordingly, eligible borrowers will now be allowed to raise following ECBs from recognised lenders, except foreign branches/ overseas subsidiaries of Indian banks:

- i. ECBs with a minimum average maturity period of 10 years for working capital purposes and general corporate purposes. Borrowing for on-lending by NBFCs for the above maturity and end-uses is also permitted.
- ii. ECBs with a minimum average maturity period of 7 years for repayment of Rupee loans availed domestically for capital expenditure. The borrowings for on-lending by NBFCs for the repayment of rupee loans would also be permitted. For repayment of Rupee loans availed domestically for purposes other than capital expenditure and for on-lending by NBFCs for the same, the minimum average maturity period of the ECB would have to be 10 years.
- iii. It has further been decided to permit eligible corporate borrowers to avail ECB for repayment of Rupee loans availed domestically for capital expenditure in manufacturing and infrastructure sector and classified as SMA-2 or NPA, under any one-time settlement arrangement with lenders. Lender banks are also permitted to sell, through assignment, such loans to eligible ECB lenders, except foreign branches/ overseas subsidiaries of Indian banks, provided, the resultant external commercial borrowing complies with all-in-cost, minimum average maturity period and other relevant norms of the ECB framework.

The relative [circular](#) is being issued simultaneously.