



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

RBI/2009-10/333
A.P. (DIR Series) Circular No.38

March 02, 2010

To

All Category - I Authorised Dealer Banks

Madam / Sir,

External Commercial Borrowings (ECB) Policy

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to the [A.P. \(DIR Series\) Circular No. 5](#) dated August 1, 2005 and [A.P. \(DIR Series\) Circular No. 20](#) dated October 8, 2008 relating to External Commercial Borrowings (ECB).

2. As per the extant ECB policy, infrastructure sector is defined as (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) and (viii) mining, exploration and refining.

3. As announced in para 54 of the Union Budget for the Year 2010-11, it has been decided to expand the definition of infrastructure sector, for the purpose of availing of ECB, to include "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". Accordingly, the infrastructure sector would henceforth be 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, exploration and refining 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.

4. All other aspects of the ECB policy, such as, USD 500 million limit per company per financial year under the automatic route, eligible borrower, recognised lender, end-use, average maturity period, prepayment, refinancing of existing ECB, reporting arrangements and terms and conditions stipulated in the A.P. (DIR Series) Circulars shall remain unchanged.

5. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

Yours faithfully,

(Salim Gangadharan)

Chief General Manager-in-Charge