



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

**RBI/2011-12/478**

**A. P. (DIR Series) Circular No. 99**

**March 30, 2012**

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) Policy – Review of all-in-cost ceiling**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 51 dated November 23, 2011](#) relating to External Commercial Borrowings.

2. Considering the developments in the global financial markets and the fact that borrowers were experiencing difficulties in raising ECBs within the existing all-in-cost ceiling, the all-in-cost ceiling for ECBs with average maturity of three and up to five years was enhanced to 6 months Libor + 350 bps with effect from November 23, 2011 and was subject to review on March 31, 2012. On a review, it has been decided to continue with the enhanced all-in-cost ceiling for a further period of six months in respect of ECBs as under:

Average Maturity Period	All-in-cost over 6 month LIBOR*	
Three years and up to five years	350 bps	
More than five years	500 bps	
* for the respective currency of borrowing or applicable benchmark		

3. The all-in-cost ceiling is applicable up to September 30, 2012 and subject to review thereafter. All other aspects of ECB policy remain unchanged.

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

5. 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,

**(Dr. Sujatha Elizabeth Prasad)**  
**Chief General Manager**

<b>Related Press Release</b>	
<b>30 Mar 2012</b>	<a href="#">Review of all-in-cost (AIC) on External Commercial Borrowings (ECB) and Trade Credit</a>