



भारतीय रिजर्व बैंक  
RESERVE BANK OF INDIA  
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**RBI/2018-19/121**

**A.P. (DIR Series) Circular No. 18**

**February 07, 2019**

To  
All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) Policy – ECB facility for Resolution Applicants under Corporate Insolvency Resolution Process**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to paragraph 1 of the [Statement on Developmental and Regulatory Policies](#) of the [Sixth Bi-monthly Monetary Policy Statement for 2018-19 dated February 07, 2019](#).

2. In terms of paragraph 2.1.(viii) of the Annex to the [A.P. \(DIR Series\) Circular No. 17, dated January 16, 2019](#) on “External Commercial Borrowings (ECB) Policy – New ECB Framework”, ECB proceeds cannot be utilised for repayment of domestic Rupee loans, except when the ECB is availed from a Foreign Equity Holder as defined in the aforesaid framework.
3. On a review it has been decided, in consultation with the Government of India, to relax the end-use restrictions for resolution applicants under the Corporate Insolvency Resolution Process (CIRP) and allow them to raise ECBs from the recognised lenders, except the branches/ overseas subsidiaries of Indian banks, for repayment of Rupee term loans of the target company under the approval route. Accordingly the resolution applicants, who are otherwise eligible borrowers, can forward such proposals to raise ECBs, through their AD bank, to Foreign Exchange Department, Central Office, Mumbai of the Reserve Bank for approval.
4. All other provisions of the ECB policy remain unchanged. AD Category - I banks should bring the contents of this circular to the notice of their constituents and customers. The amended ECB policy will come into force with immediate effect.
5. The directions contained in this circular have been issued under section 10(4) and 11(2) 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

Ajay Kumar Misra  
Chief General Manager-in-Charge