

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
LOK SABHA  
STARRED QUESTION NO. \*99  
TO BE ANSWERED ON FRIDAY, FEBRUARY 8, 2019/MAGHA 19, 1940 (SAKA)**

**EXTERNAL COMMERCIAL BORROWINGS**

**\*99: Shri. RAM CHARITRA NISHAD**

**Will the Minister of FINANCE be pleased to state:**

**(a) whether the Reserve Bank of India in consultation with the Public Sector Banks (PSBs) has decided to rationalize/liberalize the current framework/rules for External Commercial Borrowings (ECBs) and rupee denominated bonds to further improve the ease of doing business, if so, the details thereof;**

**(b) whether the RBI has allowed borrowers to raise upto 750 million US dollars a year and expanded the list of borrowers eligible to raise ECBs;**

**(c) if so, the details thereof; and**

**(d) the extent to which the problems of industries are likely to be solved through this new framework?**

**ANSWER**

**MINISTER OF FINANCE  
(SHRI PIYUSH GOYAL)**

**(a) to (d): A statement is laid on the Table of the House.**

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**STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. \*99 RAISED BY SHRI. RAM CHARITRA NISHAD, HON'BLE MEMBER OF PARLIAMENT TO BE ANSWERED ON 08.02.2019 REGARDING "EXTERNAL COMMERCIAL BORROWINGS".**

(a): Reserve Bank of India (RBI), in consultation with the Government of India (GoI), has revised and rationalised the extant framework for External Commercial Borrowing (ECB) and Rupee Denominated Bonds and notified a new policy vide A.P. (DIR Series) Circular No. 17 dated January 16, 2019 in this regard.

(b) and (c): The new ECB Policy expands the list of eligible borrowers to include all entities eligible to receive Foreign Direct Investment (FDI). Additionally, Port Trusts, Units in SEZ, SIDBI, EXIM Bank, registered entities engaged in micro-finance activities, viz., registered not for profit companies, registered societies/trusts/cooperatives and non-government organisations can also borrow under this framework. Further, ECBs up to USD 750 million or equivalent per financial year, which otherwise are in compliance with the parameters and other terms and conditions set out in the new ECB framework, are permitted under the automatic route.

(d): RBI in consultation with the Government has been incrementally calibrating the ECB framework over the past few years taking into account the emerging financing needs of the Indian entities and the macroeconomic developments, by permitting more resident entities as eligible borrowers, recognizing more entities as lenders, expanding end-uses and rationalizing the all-in-cost and minimum maturity requirements for such borrowings. The recent changes that have been brought out in the ECB policy are a part of this continued effort and to promote ease of doing business.

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