

RESERVE BANK OF INDIA
FOREIGN EXCHANGE DEPARTMENT
CENTRAL OFFICE
Mumbai 400 001

Notification No. FEMA 3(R)(5)/2026-RB

February 09, 2026

Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026

In exercise of the powers conferred by sub-section (2) of section 6, sub-section (2) of section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 (Notification No. FEMA 3(R)/ 2018-RB dated December 17, 2018) (hereinafter referred to as the 'Principal Regulations'), namely:

1. Short title and commencement –

- (1) These regulations shall be called the Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026.
- (2) They shall come into force from the date of their publication in the [Official Gazette](#).
- (3) External Commercial Borrowings for which a Loan Registration Number (LRN) has been obtained before these regulations coming into effect shall continue in compliance with the then applicable regulations, except reporting which shall be undertaken as per the amended regulations.

2. Amendment to Regulation 2 – In the Principal Regulations, regulation 2 shall be substituted by the following regulation, namely:-

“2. Definitions –

(1) In these regulations, unless the context otherwise requires:

- (a) “Act” means the Foreign Exchange Management Act, 1999 (42 of 1999);
- (b) “arm’s length basis” means a transaction between two related parties that is conducted as if the transacting parties were unrelated, so that there is no conflict of interest;
- (c) “Authorised Bank” shall have the same meaning as assigned to it in the Foreign Exchange Management (Deposit) Regulations, 2016;
- (d) “Authorised Dealer (AD)” means a person authorised as an Authorised Dealer under sub-section (1) of section 10 of the Act;

(e) “benchmark rate” means any widely accepted interbank rate or Alternative Reference Rate (ARR) of 6-month tenor, applicable to the currency of borrowing, in case of foreign currency (FCY) external commercial borrowing (ECB) / trade credit (TC). Further, it means prevailing yield of the Government of India security of corresponding maturity in case of Indian Rupees (INR) denominated ECB / TC;

(f) “control” –

(i) in case of companies, control shall have the same meaning as assigned to it in the Companies Act, 2013; and

(ii) in case of LLPs, control means the right to appoint majority of the designated partners, where such partners, with specific exclusion to others have control over all the policies of the LLP.

(g) “cost of borrowing” means rate of interest, other fees, expenses, charges, guarantee fees and export credit agency charges, whether paid in FCY or INR, but shall not include commitment fees and statutory taxes payable in India;

(h) “Designated Authorised Dealer (AD) Category I Bank” means the AD Category I bank designated by the borrower for meeting the reporting requirements in respect of ECB and TC and monitoring of such transactions;

(i) “exchange earners’ foreign currency (EEFC) account” shall have the same meaning as assigned to it in the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2015;

(j) “external commercial borrowing (ECB)” means borrowing by an eligible borrower from a recognised lender in accordance with Schedule I to these Regulations;

(k) “external commercial lending (ECL)” means lending by a person resident in India to a person resident outside India in accordance with Schedule III to these Regulations;

(l) “Foreign Currency Non-Resident (Bank) (FCNR (B)) account” shall have the same meanings as assigned to it in the Foreign Exchange Management (Deposit) Regulations, 2016;

(m) “financial sector regulator” means a financial regulatory body established under any law in force in India and includes the Reserve Bank of India, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India and Pension Fund Regulatory and Development Authority;

(n) “foreign currency convertible bond (FCCB)” shall have the same meaning as assigned to it in the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993;

(o) “foreign currency exchangeable bond (FCEB)” shall have the same meaning as assigned to it in the Issue of Foreign Currency Exchangeable Bonds Scheme, 2008;

(p) “Housing Finance Institution” shall have the same meaning as assigned to it in the National Housing Bank Act, 1987 (53 of 1987);

(q) “Indian Entity” means a company incorporated in India under the Companies Act, 2013 (18 of 2013) or a body corporate established in India under a Central / State Act or a Limited Liability Partnership formed and registered in India under the Limited Liability Partnership Act, 2008;

(r) “Industrial Park” means a project in which quality infrastructure in the form of plots of developed land or built-up space or a combination with common facilities is developed and made available to all the allottee units for the purpose of industrial activity;

Explanation : Common Facilities refers to facilities available for all the units located in the industrial park, and include facilities of power, roads (including approach roads), railway line / sidings including electrified railway lines and connectivity to the main railway line, water supply and sewerage, common effluent treatment, common testing, telecom services, air conditioning, common facility buildings, industrial canteens, convention / conference halls, parking, travel desks, security service, first aid centre, ambulance and other safety services, training facilities and such other facilities meant for common use of the units located in the Industrial Park.

(s) “infrastructure sector” shall have the same meaning as assigned to it in the ‘Harmonised Master List of Infrastructure Sub-Sectors’ approved by Government of India vide Notification F. No. 13/06/2009-INF and as amended from time to time. For the purpose of these regulations, “Exploration, Mining and Refinery” sectors will be deemed as infrastructure sector;

(t) “International Financial Service Centre (IFSC)” shall have the same meaning as assigned to it under the International Financial Services Centres Authority Act, 2019 (50 of 2019);

(u) ‘Liberalised Remittance Scheme’ means the scheme formulated in terms of circular A.P. (DIR Series) Circular No. 64 dated February 4, 2004;

(v) “Non-Resident External (NRE) Account” shall have the same meaning as assigned to it in the Foreign Exchange Management (Deposit) Regulations, 2016;

(w) “Non-Resident Ordinary (NRO) Account” shall have the same meaning as assigned to it in the Foreign Exchange Management (Deposit) Regulations, 2016;

(x) “National Housing Bank” shall have the same meaning as assigned to it in the National Housing Bank Act, 1987 (53 of 1987);

(y) “net worth” –

(i) In case of companies, net worth shall have the same meaning as assigned to it in the Companies Act, 2013 (18 of 2013); and

(ii) In case of other entities, net worth shall be the sum of the funds recorded in the balance sheet under capital and undistributed profits after deducting therefrom the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the last audited balance sheet.

(z) “Non-Resident Indian (NRI)” shall have the same meanings as assigned to it in the Foreign Exchange Management (Deposit) Regulations, 2016;

(aa) “Overseas Citizen of India (OCI) Cardholder” shall have the same meaning as assigned to it in the Citizenship Act, 1955;

(ab) “real estate business” means purchase, sale or lease of land or immovable property with a view to earning profit from there and does not include purchase, sale and lease (not amounting to transfer) of land or immovable property for the following purposes:

- (i) construction and development of industrial parks, integrated townships and SEZ;
- (ii) development of new industrial project, modernisation and expansion of existing units;
- (iii) any activity under ‘infrastructure sector’;
- (iv) construction-development project;
- (v) commercial or residential properties for own use of the borrower;
- (vi) real estate broking services.

Explanation:

(a) Construction-development projects includes development of townships, construction of residential /commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships;

(b) Transfer, in relation to real estate business includes,-

- (i) the sale, exchange or relinquishment of the asset; or
- (ii) the extinguishment of any rights therein; or
- (iii) the compulsory acquisition thereof under any law; or

(iv) any transaction involving the allowing of the possession of any immovable property to be taken or retained in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882 (4 of 1882); or

(v) any transaction, by acquiring capital instruments in a company or by way of any agreement or any arrangement or in any other manner whatsoever, which has the effect of transferring, or enabling the enjoyment of, any immovable property.

(ac) “related party” means an entity which qualifies as a related party as per the provisions of the Companies Act, 2013 (18 of 2013). For a person other than a company, this definition shall apply *mutatis mutandis*;

(ad) “relative” shall have the same meaning as assigned to it in the Companies Act, 2013 (18 of 2013);

(ae) “securities” shall have the same meaning as assigned to it in the Securities Contracts (Regulation) Act, 1956;

(af) “Special Economic Zone (SEZ)” shall have the same meaning as assigned to it in the Special Economic Zones Act 2005;

(ag) “Special Non-Resident Rupee Account (SNRR) account” shall have the same meanings as assigned to it in the Foreign Exchange Management (Deposit) Regulations, 2016;

(ah) “trade credit (TC)” means credit extended by the overseas supplier or financial institution for permissible imports into India and includes both suppliers’ credit and buyers’ credit;

Explanation: Suppliers’ credit relates to the credit for imports into India extended by the overseas supplier, while buyers’ credit refers to loans for payment of imports into India arranged by the importer from an overseas bank or financial institution.

(ai) “transferable development rights” shall have the same meaning as assigned to it in the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000.

(2) The words and expressions used but not defined in these Regulations shall have the same meaning respectively assigned to them in the Act.”.

3. Insertion of Regulation 3A – In the Principal Regulations, after the existing regulation 3, the following regulation shall be inserted, namely:-

“3A. Restriction on end-use of borrowed funds:-

(1) Funds borrowed in terms of these Regulations shall not be utilised for the following purposes in India:

(a) Chit funds;

(b) Nidhi Company;

(c) Real estate business and construction of farmhouses, provided that:

(i) in case of a borrowing for construction-development project, the borrower shall sell plots only after ensuring development of trunk infrastructure i.e. roads, water supply, street lighting, drainage and sewerage.

(ii) in case of borrowing for industrial parks, such parks shall comprise of a minimum of 10 units with no single unit occupying more than 50 percent of the allocable area and the minimum percentage of the area to be allocated for industrial activity shall not be less than 66 percent of the total allocable area.

Explanation: "Allocable area" in the Industrial Park means—

(i) in the case of plots of developed land - the net site area available for allocation to the units, excluding the area for common facilities.

(ii) in the case of built-up space - the floor area and built-up space utilized for providing common facilities.

(iii) in the case of a combination of developed land and built-up space - the net site and floor area available for allocation to the units excluding the site area and built-up space utilized for providing common facilities.

(d) Agricultural and animal husbandry, except –

(i) Floriculture, horticulture and cultivation of vegetables and mushrooms under controlled conditions;

(ii) Development and production of seeds and planting material;

(iii) Animal husbandry (including breeding of dogs), pisciculture, aquaculture and apiculture; and

(iv) Services related to agro and allied sectors

Explanation: The term 'under controlled conditions' covers the 'cultivation under controlled conditions' for the categories of floriculture, horticulture, cultivation of vegetables and mushrooms which is the practice of cultivation wherein rainfall, temperature, solar radiation, air humidity and culture medium are controlled artificially. Control in these parameters may be effected through protected cultivation under green houses, net houses, poly houses or any other improved infrastructure facilities where micro-climatic conditions are regulated anthropogenically.

(e) Plantation except tea, coffee, rubber, cardamom, palm oil tree, olive oil tree plantation

(f) Trading in Transferrable Development Rights (TDR);

(g) Transacting in listed/unlisted securities, except for transactions undertaken by an Indian entity for corporate actions such as merger, demerger, amalgamation, arrangement, or acquisition of control in accordance with the Act under which the entity is incorporated/established, Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and Insolvency and Bankruptcy Code, 2016, as applicable;

Explanation: For sub-regulation 1(g), borrowing shall be availed for strategic purposes only, i.e. those driven by the core objective of creating long-term value through potential synergies, rather than for short-term gains.

(h) Repayment of a domestic INR loan (i) which was availed for an end-use restricted under this regulation; or (ii) which is classified as a non-performing asset (NPA) as per the applicable prudential norms.

(i) On-lending for any of the purposes for which funds cannot be borrowed and utilised in this regulation.

4. Amendment of Regulation 6(B) – In regulation 6(B) of the Principal Regulations, sub-regulations (vi) shall be substituted by the following, namely:-

“(vi) A person resident in India being an individual may borrow in INR from an NRI or a relative who is an OCI cardholder for utilization in India, subject to the following terms and conditions:

(a) The amount of loan should be received either by inward remittance from outside India or by debit to NRE / NRO / FCNR(B) / SNRR account of the lender; and

(b) Borrowing shall be on non-repatriation basis; i.e. payment of interest and repayment of principal shall be made only to the NRO account of the lender.”

5. In the Principal Regulations, Schedule I shall be substituted by the following, namely:-

“SCHEDULE I

[See Regulations 4(A)(iv), 4(B)(i), 4(B)(iv), 6(A), 6(B)(i), 6(B)(vii)]

External Commercial Borrowing (ECB) Framework

1. Eligible borrowers –

(1) Any person resident in India (other than an individual) that is incorporated, established or registered under a Central or State Act is an eligible borrower, subject to the condition that such person is permitted for ECB in terms of applicable Act(s).

(2) An eligible borrower that is under a restructuring scheme or corporate insolvency resolution process may raise ECB only if specifically permitted under the restructuring or resolution plan.

(3) An eligible borrower against whom any investigation, adjudication or appeal by a law enforcement agency for contravention of any rule, regulation or direction issued under the Act is pending, may raise ECB notwithstanding the pending investigation or adjudication or appeal and without prejudice to the outcome of such investigation or adjudication or appeal. The borrower shall, however, disclose information about the pending investigation, adjudication or appeal under 'Form ECB 1' (or 'Revised Form ECB 1' in case there is existing ECB).

2. Recognised lenders – An eligible borrower may raise ECB from –

- (a) A person resident outside India;
- (b) A branch outside India of an entity whose lending business is regulated by the Reserve Bank; and
- (c) A financial institution or a branch of a financial institution set up in IFSC.

Explanation: For the purpose of this paragraph, financial institution shall have the same meaning as assigned to it under the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015.

3. Currency of borrowing –

- (1) An eligible borrower may raise ECB denominated in foreign currency (FCY) or Indian Rupee (INR).
- (2) Currency of ECB may be changed from one FCY to another FCY, an FCY to INR and INR to an FCY.
- (3) Change of currency shall be at the exchange rate prevailing on the date of the agreement for such change or at an exchange rate which does not result in a liability higher than that arrived at by using the exchange rate prevailing on the date of the agreement.

4. Forms of borrowing –

- (1) An eligible borrower may raise ECB in any form of commercial borrowing arrangement that involves payment of agreed interest, if any, by whatever name called, and repayment of principal.

Explanation: ECB includes borrowing by issuance of a Foreign Currency Convertible Bond (FCCB) and Foreign Currency Exchangeable Bond (FCEB).

- (2) Funds received from a person resident outside India, on or after April 30, 2007, against issuance of preference shares or debentures which are not fully and mandatorily convertible to equity shares shall be treated as ECB.
- (3) The following funds raised by an eligible borrower shall not be treated as ECB:

- (a) Trade Credit with original maturity up to three years, raised in terms of these Regulations;

- (b) Export advance received in terms of these Regulations and Foreign Exchange Management (Export of Goods & Services) Regulations, 2015;
- (c) Investments received in terms of the Foreign Exchange Management (Debt Instruments) Regulations, 2019;
- (d) Investments received through Convertible Notes issued in terms of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019; and
- (e) Investments received from Foreign Venture Capital Investor (FVCI) through debt instruments in terms of the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

5. Borrowing limit –

- (1) An eligible borrower may raise ECB up to the higher of (a) outstanding ECB up to USD 1 billion; or (b) total outstanding borrowing (external and domestic) up to 300 per cent of net worth as per the last audited standalone balance sheet of the borrower.

Explanation: Outstanding borrowing shall not include non-fund based credit and funds raised through issuance of securities which are mandatorily convertible to equity.

- (2) The proposed ECB (other than ECB for refinancing) shall be taken into consideration while checking for compliance with the borrowing limit.
- (3) The borrowing limit specified in the sub-paragraph (1) shall not be applicable on eligible borrowers that are regulated by financial sector regulators.

6. Maturity –

- (1) An eligible borrower shall raise ECB with minimum average maturity period (MAMP) of three years.

Explanation: Average Maturity Period for an ECB shall be computed in a manner illustrated in the [Annex I](#) to these Regulations.

- (2) An eligible borrower engaged in manufacturing sector may also raise ECB with average maturity period between one year and three years, subject to the condition that outstanding amount of such ECBs shall not exceed USD 150 million.
- (3) Call and put options, if any, shall not be exercisable prior to completion of MAMP.
- (4) The MAMP specified at sub-paragraph (1) and (2) shall not be required to be met in case of –

- (a) Conversion of ECB (including FCCB and FCEB) to non-debt instruments in accordance with the rules and regulations issued under the Act;

- (b) Repayment of ECB using the proceeds from non-debt instruments issued in terms of Foreign Exchange Management (Non-Debt Instrument) Rules, 2019 on repatriation basis, provided the proceeds are received after the drawdown of the ECB;
- (c) Refinance of ECB in terms of these Regulations;
- (d) Waiver of debt by the lender; and
- (e) Repayment of ECB, if required, for undertaking corporate actions such as closure, merger, demerger, arrangement, acquisition of control, amalgamation, resolution or liquidation by the lender or the borrower.

7. Cost of borrowing –

- (1) The cost of borrowing shall be in line with prevailing market conditions.
- (2) In case of eligible ECBs with average maturity period of less than three years, the cost of borrowing shall be in compliance with cost ceiling specified for Trade Credit under these regulations. In the case of fixed rate loans, the floating rate plus spread of the corresponding swap shall not be more than the ceiling.

8. Other costs – Prepayment charges or penal interest, if any, for default or breach of covenants shall be in line with prevailing market conditions.

9. Arm's length principle – ECB from a related party shall be carried out on an arm's length basis.

10. Receipt of ECB proceeds –

- (1) An eligible borrower shall drawdown ECB only after obtaining the Loan Registration Number (LRN) from Reserve Bank through the designated AD Category I bank.
- (2) ECB proceeds meant to be utilized for a permitted INR expenditure in India, shall be credited to an INR account held in India with the designated AD Category I bank by the end of the succeeding month from the date of receipt. Pending utilisation, the funds may be invested in an unencumbered fixed deposit of tenor up to one year with the designated AD Category I bank.
- (3) ECB proceeds meant to be utilized for a permitted foreign currency expenditure may be credited to an FCY account held in India with the designated AD Category I bank or an FCY account held outside India, in terms of the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulation, 2015. Pending utilisation, the funds may be invested outside India in an unencumbered fixed deposit of tenor up to one year or an unencumbered debt instrument with original maturity up to one year.

11. Security –

- (1) ECBs may be secured by –

- (a) Creation of charge on immovable assets, movable assets, financial assets and intangible assets (including intellectual property rights) in favour of the non-resident lender or security trustee; and
- (b) Issue of guarantee in favour of the lender or security trustee in accordance with the Foreign Exchange Management (Guarantees) Regulations, 2026.

(2) Securing ECBs shall be subject to the following terms and conditions:

- (a) The borrowing agreement contains a clause requiring the borrower to provide such security;
- (b) 'No objection certificate', as applicable, from the existing lender(s) in India shall be obtained before creation of charge on an encumbered asset; and
- (c) Creation of charge on an asset shall not be construed as a permission to acquire the asset in India, by the overseas lender / security trustee.

(3) Entities regulated by the Reserve Bank shall not provide (issue) any type of guarantee.

(4) In the event of enforcement / invocation of the security –

- (a) the claim of the lender shall be restricted to the outstanding claim against the ECB;
- (b) transfer of any asset / property shall be in compliance with the Act or Rules, Regulations or Directions issued thereunder. Encumbered moveable assets may be taken out of the country subject to obtaining a 'No objection certificate' from the existing lender(s) in India, if any; and
- (c) where the acquisition of the asset / property by the lender is not permitted under the Act or Rules or Regulations or Directions issued thereunder, the sale proceeds from transfer of such asset to a person resident in India may be remitted to the lender for extinguishing the outstanding claim against the ECB.

12. Refinancing – An eligible borrower may refinance an existing ECB, in part or full, by a fresh ECB, subject to the condition that refinancing doesn't result in failure to meet MAMP requirement applicable on the original borrowing (weighted outstanding maturity in case of multiple borrowings).

13. Conversion of ECB into non-debt instrument –

(1) An ECB (including those which is matured but unpaid) may be converted into a non-debt instrument, subject to compliance with the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019.

(2) Conversion of ECB into a non-debt instrument shall be subject to the following terms and conditions:

- (a) No additional costs payable to the lender for enabling such conversion;
- (b) Consent of the lender is in place; and
- (c) Consent of other lenders, if any, is available or at least information regarding conversions is exchanged with other lenders.

(3) The prudential regulations, including those on restructuring, shall also be applicable if borrower has availed credit facilities from an entity (including its foreign branch or subsidiary) regulated by the Reserve Bank.

(4) ECB liability eligible for conversion into non-debt instruments shall be determined basis the exchange rate prevailing on the date of the agreement for such conversion between the parties concerned or at an exchange rate which does not result in a liability higher than that arrived at by using the exchange rate prevailing on the date of such agreement.

14. Change of parameters, terms and conditions –

(1) Changes to the parameters, terms and conditions governing the ECB may be made, subject to lender's consent and compliance with the provisions of this Schedule.

(2) In case of extension of tenor of the borrowing, the prudential regulations, including those on restructuring, shall also be applicable if the borrower has availed credit facilities from an entity (including its foreign branch or subsidiary) regulated by the Reserve Bank.

(3) Change of designated AD Category I bank shall be subject to the obtaining 'no objection certificate' from the existing designated AD Category I bank.

15. Debt servicing –

(1) Principal, interest, and other charges, in respect of ECBs undertaken in compliance with the ECB framework, may be remitted.

(2) Repayment in case of an ECB availed from the NRO account of the lender shall be credited to the NRO account only.

16. Reporting –

(1) Eligible borrowers shall submit the following application/return through the designated AD Category I bank in the format provided by the Reserve Bank to the designated AD Category I bank:

(a) 'Form ECB 1' for providing details of the ECB and obtaining LRN;

(b) 'Revised Form ECB 1' for reporting any change in previously reported ECB parameters in 'Form ECB 1', within seven calendar days from the end of the month in which such change was given effect; and

Explanation: A 'Revised Form ECB 1' may also be submitted to intimate any change in any other information previously reported in 'Form ECB 1'.

(c) 'Form ECB 2' for reporting receipt of ECB proceeds and debt servicing, within seven calendar days from the end of the month in which the proceeds were received or debt servicing was undertaken.

Explanation: Any event or transaction that alters the outstanding borrowing under an LRN shall be reported in 'Form ECB 2.'

(2) In case of non-adherence with reporting timelines, the borrower may pay late submission fee as per the guidelines issued by the Reserve Bank in this regard after completing the reporting.

(3) The designated AD Category I bank shall submit the application/return received from the eligible borrower, along with due certification, to the Reserve Bank in the manner and format advised for this purpose.

(4) In case an eligible borrower reports a pending investigation or adjudication or appeal by the law enforcing agencies for contravention of any rule or regulation or direction issued under the Act in 'Form ECB 1' / 'Revised Form ECB 1', the designated AD Category I bank shall provide complete details of the borrowing to the agencies concerned.

(5) The designated AD Category I banks may approach the Reserve Bank for cancellation of an allotted LRN at the request of the borrower, subject to the condition that no draw down has taken place.

(6) Any borrower with an active LRN shall be treated as an untraceable borrower -

(a) in case such borrower fails to submit any of the specified return(s) for four consecutive quarters or more after the quarter in which a drawdown or debt servicing was scheduled to be made as per the last reported 'Form ECB 1'; and

(b) the designated AD category I bank, after completion of such period of four quarters, is satisfied that:

(i) neither the borrower nor its auditor(s)/director(s)/ promoter(s) were reachable or responsive despite multiple attempts of communication undertaken and documented by the bank; and

(ii) borrower was not found to be operative at the registered office address as per the records available with the bank.

(7) In case a borrower qualifies as untraceable after occurrence of a drawdown, the designated AD Category I banks shall inform the same to both, the Reserve Bank and the Directorate of Enforcement.”.

(Dr. Aditya Gaiha)
Chief General Manager-in-Charge

Foot Note:

The Principal Regulations were published in the Official Gazette vide G.S.R.No.1213(E) dated December 17, 2018, in Part II, Section 3, sub-Section (i) and subsequently amended vide the following, namely:-

(i) Notification No. G.S.R No. 163(E) published in the official gazette on February 26, 2019;

(ii) Notification No. FEMA. 3(R)(2)/2021-RB published in the official gazette on May 24, 2021;

(iii) Notification No. FEMA.3(R)(3)/2022-RB published in the official gazette on July 28, 2022; and

(iv) Notification No. FEMA 3(R)(4)/2025-RB published in the official gazette on October 9, 2025.

(See paragraph 6 under Schedule I)

Computation of Average Maturity Period - Illustration

Assuming an ECB amount of USD 2 million is proposed to be availed and repaid as per the schedule given below, the average maturing period for such ECB shall be computed in the following manner:

Date of drawal/ repayment (MM/DD/YYYY)	Drawal	Repayment	Balance	No. of Days** balance with the borrower	Product= (Col.4 * Col. 5)/ (Loan amount * 360)
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6
05/11/2007	0.75		0.75	24	0.0250
06/05/2007	0.50		1.25	85	0.1476
08/31/2007	0.75		2.00	477	1.3250
12/27/2008		0.20	1.80	180	0.4500
06/27/2009		0.25	1.55	180	0.3875
12/27/2009		0.25	1.30	180	0.3250
06/27/2010		0.30	1.00	180	0.2500
12/27/2010		0.25	0.75	180	0.1875
06/27/2011		0.25	0.50	180	0.1250
12/27/2011		0.25	0.25	180	0.0625
06/27/2012		0.25	0.00		
Average Maturity Period = (Summation of Col.6)					3.2851

** Calculated by = $DAYS360(\text{firstdate}, \text{seconddate}, 360)$