



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

**RBI/2013-14/302**

**A.P. (DIR Series) Circular No.57**

**September 30, 2013**

To

All Authorised Dealer Category – I Banks

Madam / Sir

**External Commercial Borrowings (ECB) Policy – ECB proceeds for acquisition of shares under the Government's disinvestment programme of PSUs - Clarification**

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](#), relating to External Commercial Borrowings (ECB) as amended from time to time in terms of which ECB proceeds is permitted to be used in the first stage acquisition of shares in the disinvestment process and also in the mandatory second stage offer to the public under the Government's disinvestment programme of the public sector undertakings (PSUs) shares.

2. It is clarified that ECB is allowed for all subsequent stages of acquisition of shares in the disinvestment process under the Government's disinvestment programme of the PSU shares; in other words, facility of ECB is available for multiple rounds of disinvestment of PSU shares under the Government disinvestment programme.

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

4. 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 required, if any, under any other law.

Yours faithfully

(C D Srinivasan)  
Chief General Manager