

**RESERVE BANK OF INDIA
(FOREIGN EXCHANGE DEPARTMENT)
CENTRAL OFFICE
MUMBAI**

Notification No. FEMA 194 / 2009-RB.

June 17, 2009

**Foreign Exchange Management
(Borrowing or Lending in Foreign Exchange)
(Second Amendment) Regulations, 2009**

In exercise of the powers conferred by clause (d) of sub-section (3) of Section 6 and 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 in the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 ([Notification No.FEMA.3/2000-RB dated May 3, 2000](#)), namely:-

1. Short title and commencement

(a) These Regulations may be called the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) (Second Amendment) Regulations, 2009.

(b) They shall come into force from the dates specified in these regulations.

2. Amendment of the Regulations :

In the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 ([Notification No. FEMA 3/2000-RB dated May 3, 2000](#)) (hereinafter referred to as 'the principal regulations') , -

(A) In Schedule I in paragraph (1)

(a) in sub-paragraph (iv)

(i) for clause AA, the following shall be substituted and shall be deemed to have been substituted with effect from 29th day of May, 2008, namely :-

"(AA) Borrowings in foreign exchange per borrower company per financial year up to such amounts not exceeding US Dollars 500 million or its equivalent as directed by the Reserve Bank from time to time shall be permitted for such permissible end-uses as indicated by Reserve Bank from time to time".

- (ii) in sub-paragraph (A), in clause (a), for 'Explanation' the following shall be substituted and deemed to have been substituted with effect from the 8th day of October 2008, namely:-

"Explanation: The following sectors will qualify as infrastructure sectors, namely,(i) Power, (ii) Telecommunication, (iii) Railways, (iv) Road including Bridges, (v) Sea Port and Airport (vi) Industrial Parks (vii) Urban Infrastructure (water supply, sanitation and sewage projects) and (viii) Mining, Exploration and Refining".

- (b) for sub-paragraph (ix) the following shall be substituted and shall be deemed to have been substituted with effect from 22nd day of October, 2008, namely:-

"ix) Parking of loan amount -

The proceeds of borrowings in foreign exchange availed under the schedule may, pending utilisation for permissible end-uses, be parked abroad or in India as directed by the Reserve Bank from time to time".

**B) In Schedule II, in paragraph (3),
in sub-paragraph (iii),**

- (i) in sub-paragraph (A) in clause (a) for 'Explanation' the following shall be substituted and shall be deemed to have been substituted with effect from the 8th day of October, 2008,namely:-

"Explanation: The following sectors will qualify as infrastructure sectors, namely,(i) Power, (ii) Telecommunication, (iii) Railways, (iv) Road including Bridges, (v) Sea Port and Airport (vi) Industrial

Parks (vii) Urban Infrastructure (water supply, sanitation and sewage projects) and (viii) Mining, Exploration and Refining”.

(ii) clause AA shall be substituted and deemed to have been substituted with effect from the 29th day of May, 2008.

"(AA) Borrowings in foreign exchange per borrower company per financial year up to such amounts as directed by the Reserve Bank from time to time shall be permitted for such permissible end-uses as indicated by Reserve Bank from time to time".

(iii) for sub-paragraph (viii), the following shall be substituted and shall be deemed to have been substituted with effect from the 22nd day of October, 2008, namely:-

"Parking of loan amount -

The proceeds of borrowings in foreign exchange availed under the schedule may, pending utilisation for permissible end-uses, be parked abroad or in India as directed by the Reserve Bank from time to time”.

**(Salim Gangadharan)
Chief General Manager-in-charge**

Foot Note:

(i) It is clarified that no person will be adversely affected as a result of retrospective effect being given to these regulations.

ii) The Principal Regulations were published in the Official Gazette vide G.S.R. No.386 (E) dated May 5, 2000 in Part II, Section 3, sub-section (i) and subsequently amended vide:-

- (a) G.S.RNo.674(E) dated August 25, 2000
- (b) G.S.RNo.476(E) dated July 8, 2002
- (c) G.S.RNo.854(E) dated December 31, 2002
- (d) G.S.RNo.531(E) dated July 9, 2003
- (e) G.S.RNo.533(E) dated July 9, 2003

- (f) G.S.RNo.208(E) dated March 23, 2004
- (g) G.S.RNo.825(E) dated December 22, 2004
- (h) G.S.RNo.60(E) dated February 9, 2005
- (i) G.S.RNo.739(E) dated December 22, 2005
- (j) G.S.R.No.663(E) dated October 16, 2007
- (k) G.S.R.No 61(E) dated January 30, 2009.

**Published in the Official Gazette of Government
of India – Extraordinary – Part-II, Section 3,
Sub-Section (i) dated 24.07.2009 - G.S.R.No. 547 (E)**