

Refinancing of External Commercial Borrowing “ECB” at lower all-in-cost – Simplification of procedure

Till now refinancing of existing ECB by raising fresh ECB at lower all-in-cost was permitted subject to the condition that the outstanding maturity of the original loan is maintained. The cases, where the Average Maturity Period (AMP) of the fresh ECB is more than the residual maturity of existing ECB, are examined by the Reserve Bank under the approval route.

RBI, vide its Circular dated 27th August 2014, has now decided to simplify the procedure by delegating powers to the AD Category – I banks to approve even those cases where the AMP of the fresh ECB is exceeding the residual maturity of the existing ECB under the automatic route subject to the following conditions:

- i. Both the existing and fresh ECBs should be in compliance with the applicable guidelines;
- ii. All-in-cost of fresh ECB should be less than that of the all-in-cost of existing ECB;
- iii. Consent of the existing lender is available;
- iv. Refinancing is to be undertaken before the maturity of the existing ECB;
 - v. Borrower should not be in the default / Caution List of RBI and should not be under the investigation of the Directorate of Enforcement (DoE);
- vi. Overseas branches / subsidiaries of Indian banks will not be permitted to extend ECB for refinancing an existing ECB; and
- vii. All requirements in respect of reporting arrangements like filing of revised Form 83, etc. are followed.

This facility will be available even in those cases where existing ECBs were raised under the approval route subject to the amount of new ECBs being eligible to be raised under the automatic route.

All other aspects of the ECB policy like eligible borrower, recognized lender, permitted end-use, amount of ECB, all-in-cost, average maturity period, reporting arrangements, etc. shall remain unchanged. The modification to the ECB policy will come into force with immediate effect.

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Revision of formats for disclosure under Regulation 30 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

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The Format for the reports/disclosures to be filed under Regulation 30 of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, was prescribed by SEBI vide circular No.SEBI/CFD/DCR/SAST/1/2011/09/23 dated 23 September 2011. SEBI has now vide its circular dated 25th August 2014 has revised the continual disclosure format for reporting under Regulation 30 of SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011. The circular has come into force with immediate effect. The said regulation is reproduced hereunder for ready reference.

Continual disclosures

- 30 (1) Every person, who together with persons acting in concert with him, holds shares or voting rights entitling him to exercise twenty-five per cent or more of the voting rights in a target company, shall disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.
- (2) The promoter of every target company shall together with persons acting in concert with him, disclose their aggregate shareholding and voting rights as of the thirty-first day of March, in such target company in such form as may be specified.
- (3) The disclosures required under sub-regulation (1) and sub-regulation (2) shall be made within seven working days from the end of each financial year to,—
- (a) every stock exchange where the shares of the target company are listed; and (b) the target company at its registered office

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