



ECB HANDBOOK – COMPACT VERSION

Introduction

ECB refers to commercial loans obtained from recognised foreign lenders, enabling Indian entities to access competitive global capital.

ECB Categories

- Foreign currency ECB
- Rupee-denominated ECB (R-ECB)

Eligible Borrowers

Companies • LLPs • NBFCs (conditional) • Infrastructure & manufacturing entities

Recognised Lenders

International banks • Multilaterals • Sovereign funds • ECAs • Foreign equity holders

Minimum Maturity

Standard: 3–5 yrs • Working capital/general corporate: 10 yrs • Foreign equity holder route: 5 yrs

All-in-Cost

Benchmark (SOFR/ARR/EURIBOR) + RBI-allowed spread.

Permitted End-Uses

Capex • Plant & machinery • Infrastructure • Technology • Expansion

Prohibited End-Uses

Working capital* • Rupee loan repayment* • Real estate • Capital markets • Land

**Allowed only under special categories.*

Special End-Use Categories

Working capital allowed under:

- 10-year ECB
- 5-year ECB from foreign equity holder
- Stressed company approval route

ECB Process

1) Onboarding & assessment 2) Documentation 3) Lender matching
4) Submission 5) Due diligence 6) Term sheet 7) Loan agreement 8) Compliance

Reporting

Form ECB • LRN • Monthly ECB-2 returns • Auditor reports • FEMA compliance

Responsibilities

Client must provide accurate documents, comply with permitted uses, and maintain AML/KYC adherence.

Disclaimer

The Dream Finance is an advisory firm only. No guarantee of sanctions/approvals. Fees are non-refundable.

Contact

The Dream Finance

Ahmedabad, Gujarat

Mahendrasinh Patgir