RBI announces relief for exporters amid trade worries

Measures taken to mitigate impact of trade disruptions, says central bank

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Amid trade tensions with the US that has imposed 50 per cent tariff on Indian exports, the Reserve Bank of India (RBI) on Friday announced a host of relief measures for exporters. The measures included easing of the burden of debt repayments on some impacted sectors, and relaxation in the repayment of export credit.

In a notification, the central bank enhanced the maximum credit period from 270 days to 450 days for pre-shipment and post-shipment export credit disbursed till March 31, 2026. It has also allowed lenders to liquidate packing credit facilities availed by exporters on or before August 31, 2025, where dispatch of goods could not take place, from any legitimate alternative sources, including domestic sale proceeds of such goods or substitution of contract with proceeds of another export order. The RBI said these measures were taken "with a view to mitigate the impact of trade disruptions on exports arising on account of global headwinds".

In order to ease the burden of debt repayments on specific impacted sectors, the regulator allowed moratorium on/deferment of payment of all of term loans and recovery of interest on working capital loans, falling due between September 1 and December 31, 2025. Moreover, lenders have been permitted to recalculate "drawing power" in working capital facilities either by reducing margins or by basis reassessment during the same period.

The RBI has also allowed extension in the time period for realisation and repatriation of full export value of goods/software/services exported from India from nine months to fifteen months from the date of export from the country. In addition, the time period for shipment of goods has been increased from one year to three years from the date of receipt of advance payment or as per agreement, whichever is later.

"These regulatory measures coupled with the credit guarantee scheme for exporters, could give liquidity relief and help exporters ride out the near-term pressure on cash flows because of deferment of orders or payments. However, we will have to monitor the extent of moratorium or deferment availed by the exporters," said Anil Gupta, senior vice-president & co group head - financial sector ratings, Icra. However, a large number of borrowers availing either relief measures could potentially raise uncertainty on asset quality for the lenders, Gupta noted.

Some key steps

- Easing burden on debt repayments on some impacted sectors
- Relaxation in the repayment of export credit
- Extension of maximum credit period to 450 days from 270 days for pre-shipment and post-shipment export credit