

# Govt looks to expand list of export sectors for RBI loan moratorium

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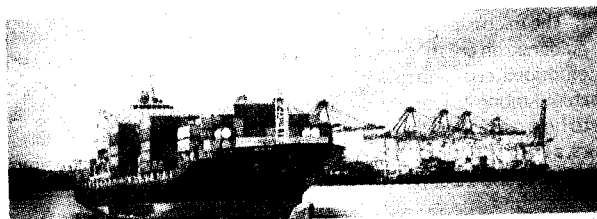
The Commerce Department will take up with the RBI the need to expand the recent loan moratorium announced for exporters, limited to 20 items, to more sectors hit by US tariffs and global trade disruption, official sources said. These include all textile items, toys, sports goods, paper and inorganic chemicals.

"In the recent Board of Trade meeting, the industry underlined the need to extend the loan moratorium to all sectors that were left out of the moratorium notification but are equally hurt by US tariffs and global disruptions. The Commerce Department will take this forward," an official said.

## EXPORT LOANS

On November 14, the RBI announced a moratorium on export loans for certain exporters, covering term loan instalments and working capital interest due between September 1 and December 31, 2025. During the suspension period, interest will be calculated on a simple basis, and the accrued interest will be converted into a funded interest term loan (FITL), repayable by September 30, 2026, per the announcement.

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Since the moratorium anyway requires exporters to provide proof of their business getting impacted by trade disruptions to banks, incorporating more sectors should be straightforward, exporters' body FIEO pointed out in a letter to RBI Governor Sanjay Malhotra.

"Given that the RBI directions clearly stipulates that a regulated entity, including banks, must satisfy itself that the borrower's business has been affected by trade disruptions caused by global headwinds, the relief mechanism, in principle, need not be confined solely to the sectors listed in the annex. Any exporter who can demonstrably establish adverse impact from ongoing trade disruptions should logically be eligible for similar support,"

the letter pointed out.

Such an approach would ensure equitable treatment and provide timely, much-needed support to a wider spectrum of firms confronting comparable challenges, it added.

## US TARIFFS

The US imposed a total of 50 per cent additional tariffs (including 25 per cent reciprocal levies and 25 per cent penalties for Russian oil purchases) on a large number of Indian exports in August-end, following which exports to the country took a hit.

In the letter, FIEO acknowledged that the RBI had already covered 73 per cent of India's exports to the US based on government data for April-August 2025. The total coverage extended to more than 85 per cent of India's exports to the US, when sectors exempt from tariffs and those falling under Section 232 (sectoral tariffs) are included, it said.