

# Trade Relief Measures Policy

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# 1. Objective

To implement the Reserve Bank of India (Trade Relief Measures) Directions, 2025 and 2026, aimed at mitigating the burden of debt servicing on borrowers impacted by global trade disruptions, ensuring continuity of viable export businesses, and complying with regulatory requirements.

## 2. Eligibility Criteria for Borrowers

A borrower shall be eligible for relief measures if all the following conditions are met:

- Engaged in exports in sectors specified in paragraph 6.
- Had an outstanding export credit facility from any one of the entities (Commercial Banks, Primary (Urban) Co-operative Banks, State and Central Co-operative Banks, Non-Banking Financial Companies (including Housing Finance Companies), All-India Financial Institutions, Credit Information Companies (with respect to credit reporting) as of August 31, 2025.
- The borrower's account(s) with all entities mentioned in above bullet point were classified as 'Standard' as on August 31, 2025.

For borrowers with export credit from other entities as mentioned above, certification from the lending entity must be obtained to confirm eligibility. SMBC shall satisfy itself that the borrower's business is impacted by trade disruptions caused by global headwinds prior to providing Trade Relief Measures under this direction.

## 3. Relief Measures

### A. Moratorium / Deferment

- **Term Loans:** Moratorium on payment of principal and/or interest instalments due between September 1, 2025, and December 31, 2025 (Effective Period).
- **Working Capital Facilities (CC/OD):** Defer recovery of interest applied during the effective period.
- **Interest Accrual:** Interest will continue to accrue during moratorium/deferment period on a simple interest basis (no compounding).
- **Funded Interest Term Loan:** Accrued interest during moratorium may be converted into a funded interest term loan repayable in instalments after March 31, 2026, but no later than September 30, 2026.
- **Drawing Power:** SMBC may recalculate drawing power by reducing margins or reassessing limits during the effective period at their discretion. Any such review, after the expiry of the effective period shall be based on regular assessments.

### B. Extension of Tenor for Export Credit

- Enhanced credit period up to 450 days for pre-shipment and post-shipment export credit disbursed till June 30, 2026.

- Packing credit facilities availed by exporters on or before March 31, 2026, where dispatch of goods could not take place, may be liquidated from alternate legitimate sources including domestic sale proceeds of such goods or substitution of contract with proceeds of another export order.

## **4. Asset Classification**

- Moratorium/deferment period will be excluded from days past-due calculation for the purpose of asset classification under IRACP norms.
- Granting relief and recalculating drawing power will not be treated as restructuring thereby will not result in asset classification downgrade.
- Post-moratorium, asset classification will follow extant IRACP norms.
- SMBC shall report to Credit Information Companies (CICs) considering the above provisions.

## **5. Disclosure**

- SMBC will maintain a Management Information System (MIS) capturing borrower-wise and credit-facility-wise details of relief granted.

## **6. Annexure: Eligible Export Sectors**

(As per RBI Annex - 2-digit HS Codes and descriptions)

- 03: Fish and crustaceans, molluscs, aquatic invertebrates
- 29: Organic chemicals
- 38: Miscellaneous chemical products
- 39: Plastics and articles thereof
- 40: Rubber and articles thereof
- 42: Leather articles, saddlery, travel goods
- 57: Carpets and textile floor coverings
- 61, 62: Apparel and clothing accessories (knitted and non-knitted)
- 63: Other made-up textile articles, worn clothing
- 64: Footwear and parts
- 68: Articles of stone, cement, asbestos, mica
- 71: Precious stones, metals, imitation jewellery
- 73: Articles of iron or steel
- 76: Aluminium and articles thereof
- 84: Nuclear reactors, boilers, machinery
- 85: Electrical machinery and equipment
- 87: Vehicles other than railway rolling stock
- 90: Optical, photographic, medical instruments
- 94: Furniture and lighting fittings

**This policy shall be reviewed periodically to incorporate any further RBI updates or regulatory changes on Trade Relief Measures as per Reserve Bank of India (Trade Relief Measures) Directions, 2025 and 2026.**