

Monetary Policy Update

40 bps

Reduction in the Policy Rates

3 months

Additional moratorium on loans

Upto 30%

Increase in group exposure limit

Reduction in the policy rates	40 bps reduction in the policy; repo rate to 4%; marginal standing facility (MSF) rate and the bank rate to 4.25%; and reverse repo rate to 3.35%
Moratorium on Term Loan Instalments	Extended the moratorium on term loan instalments in respect of all term loans outstanding as on March 1, 2020 by another 3 months, i.e., from June 1, 2020 to August 31, 2020
Deferment of Interest on Working Capital Facilities	Deferment of interest in respect of cash credit / overdraft facilities outstanding as on March 1, 2020 by another 3 months, from June 1, 2020 to August 31, 2020
Payment of Interest on Working Capital Facilities for the Deferment Period	Conversion of accumulated interest on the working capital facilities over the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than March 31, 2021
Easing of Working Capital Financing	Reduction in the margins for calculation of Drawing Power for working capital facilities sanctioned in the form of cash credit / overdraft till August 31, 2020 and restoring the margins to the original levels by March 31, 2021
Measures to Support Exports Credit	Increase in maximum permissible period of pre-shipment and post shipment export credit sanctioned by banks from the existing one year to 15 months, for disbursements made up to July 31, 2020.
Measures to Support Imports Credit	Extended the time period for completion of remittances against normal imports into India from 6 months to 12 months from the date of shipment for such imports made on or before July 31, 2020.
Refinancing Facility for Small Industries Development Bank of India (SIDBI)	Rollover of special refinance facility of ₹15,000 crore to SIDBI for another 90 days for on-lending / refinancing. Advances under this facility were provided at the RBI's policy repo rate in order to provide greater flexibility to SIDBI in its operations
Investments by Foreign Portfolio Investors under the Voluntary Retention Route	Additional three months allowed to Foreign Portfolio Investors investing under the Voluntary Retention Route to fulfil the requirement to invest at least 75% of allotted limits within three months