

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
LOK SABHA
STARRED QUESTION NO.*408
ANSWERED ON-22.07.2019/ASHADH 1, 1941 (SAKA)

ASSISTANCE TO CASHEW INDUSTRY

*408: SHRIN.K. PREMACHANDRAN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has noticed that cashew factory owners have committed suicide due to the action taken by the banks against them, if so, the details thereof along with the directions given to the banks in this regard;
- (b) whether the Union Government is considering the request of the Government of Kerala for extending the support of banks for the rejuvenation of cashew industry, if so, the details thereof and the action taken by the Government to ensure the support of the banks;
- (c) whether the Government proposes to consider the relaxation of the conditions of the repayment of loan and penal interest for the loan availed by the cashew industry so as to save the industry from the crisis; and
- (d) if so, the details thereof including the action taken by the Government in this regard?

ANSWER

THE FINANCE MINISTER

(SMT. NIRMALASITHARAMAN)

(a) to (d): A statement is laid on the Table of the House.

Statement as referred to in reply to parts (a) to (d) of Lok Sabha Starred Question no. *408 for answer on 22nd July, 2019/Ashadha 31 (Saka), 1941 regarding "ASSISTANCE TO CASHEW INDUSTRY" by SHRI N.K. PREMACHANDRAN, Hon'ble Member of Parliament

(a) to (d): As per inputs received from the Department of Commerce and State Level Bankers' Committee, Kerala (SLBC), no instance of cashew factory owners in Kerala committing suicide due to action taken by banks against them has been reported to the Central Government or to SLBC by the Government of Kerala. The Department has also informed that it is in receipt of request from the Government of Kerala for, *inter-alia*, reduction of basic custom duty on import of raw cashew nut and a revival plan for cashew industry including restructuring of bank loans. The Department has further apprised that the basic custom duty on import of raw cashew nut has been reduced from 5% to 2.5% with effect from 2.2.2018. In addition, Reserve Bank of India, *vide* circular dated 1.1.2019, has permitted one-time restructuring by 31.3.2020, of such loans of Micro, Small and Medium Enterprises having aggregate exposure of not more than Rs. 25 crore, that are in default but 'standard' as on 1.1.2019.

Further, as per inputs received from SLBC, the Government of Kerala has formed a three-member Cashew Revival Committee under the convenorship of Deputy Secretary, Government of Kerala, Industries Department to assess financial viability of cashew processing units so as to examine feasibility of any revival package submitted by the borrower and to make recommendations to the banks. The committee has examined 285 cashew processing units and recommended 176 units for additional finance/restructuring and 67 units for one-time settlement. 30 units have been sanctioned additional finance or restructured by banks. SLBC has further informed that three Scheduled Commercial Banks have adopted a revival scheme for stressed cashew units in Kerala, relaxing conditions for repayment of loan and providing for reversal of penal interest.
