

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
STARRED QUESTION NO. 227
TO BE ANSWERED ON 12th MARCH, 2018

CASHEW INDUSTRY

*227. SHRI M.I. SHANAVAS:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is aware about the grave crisis in the cashew industry especially in Kerala and if so, the details thereof;
- (b) whether any speedy revival measures are being taken to restructure the loans offered by banks; and
- (c) if so, the details thereof and if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री सुरेश प्रभु)

THE MINISTER OF COMMERCE AND INDUSTRY
(SHRI SURESH PRABHU)

a) to c): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA
STARRED QUESTION NO. 227 FOR ANSWER ON 12th MARCH, 2018
REGARDING "CASHEW INDUSTRY".

(a) The Ministry of Commerce and Industry has received a few representations from the Public representative and stakeholders of cashew industry reporting that the Cashew Industry is facing problems mainly on account of the following reasons:

- i) Non-availability of Raw Cashew.
- ii) Basic Custom Duty on import of Raw Cashew Nut.
- iii) Action by Banks under SARFAESI Act.

In response, the Government has taken several steps to address the problems faced by cashew industry, viz. i) Basic Custom Duty on import of raw cashew nut has been reduced to 2.5% from 5% w.e.f. 02.02.2018, ii) MEIS has been increased by 2% on cashew kernel and value added cashew iii) the rate of Goods and Service Tax (GST) has also been reduced to 5% from 12% for Cashew nuts.

(b) & (c) The Reserve Bank of India issues various guidelines from time to time aimed at revitalising the stressed assets in the economy from time to time. In view of the enactment of the Insolvency and Bankruptcy Code, 2016 (IBC), RBI vide order number dated RBI/2017-18/131 dated 12.02.2018 has revised the existing guidelines for resolution of stressed assets with a harmonised and simplified generic framework. The revised guidelines include the norms applicable to restructuring of loans.

For revival of stressed unit, timely restructuring of accounts can be done as per Banks Policy and RBI guidelines. To preserve the economic value of units, restructuring is done by modifying the terms & conditions of the loan on the basis of mutual agreement between the lenders & the borrowers.
