

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

LOK SABHA
UNSTARRED QUESTION NO. 1513
TO BE ANSWERED ON 05th MARCH,2018

CASHEW INDUSTRY

1513. SHRI N.K. PREMACHANDRAN:

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

- (a) whether it has come to the notice of the Government that the banks are initiating coercive steps against the cashew industries under the SARFAESI Act, for realization of dues on account of loan taken for cashew industry;
- (b) if so, the action taken by the Government to protect the industry;
- (c) whether it has come to the notice of the Government that the cashew industries are in loss due to the import export policy of the Government and non availability of raw cashew nuts;
- (d) if so, the action taken by the Government to make available the raw nuts at a reasonable price and withdraw the import duty; and
- (e) whether the Government proposes to direct the banks to stop the action under SARFAESI Act and if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI C. R. CHAUDHARY)

(a) (b) & (e): The Ministry of Finance has informed that Section 31(i) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act says that provisions of the Act shall not apply to “any security interest created in Agriculture land and does not differentiate on the basis of any specific industries / commodities. The SARFAESI Act empowers Banks to take action to recover debts due and does not include any provisions for intervention by Central Government in such action. Aggrieved debtors/ borrowers have recourse to DRTs through filling of securitisation Applications SAS, for which appeal lies before Debt Recovery Appellate Tribunals (DRAT).

(c) & (d) It has come to the notice of the Government that due to non availability of sufficient quantity of raw cashew nut and higher price for raw cashew nut in the

international market, the cashew industry is facing the prospect of a demand - supply gap.

Considering the challenges being faced by the cashew industry and to promote trade, the Government has taken following steps to ameliorate the loss /crisis of cashew industry:

- i) Basic Custom Duty on import of raw cashew nut has been reduced from 5% to 2.5% in the current budget session .
- ii) The rate of Goods and Service Tax (GST) has also been reduced to 5% from 12% for Cashew nuts.
- iii) Under Mid Term Review of Foreign Trade Policy (FTP), MEIS for cashew has been revised to 5% for cashew kernel and 7% for cashew nut salted/roasted respectively, vide DGFT PN No.44/2015-20 dated 05.12.2017.
- iv) on the request of the Cashew Industry, the Government of India has revised SION norms of export of Cashew Kernel, from import of Raw Cashew Nut under Advance Authorisation Scheme, to 5.04 kg from earlier 4 kg vide PN no.12/2015-2020,DGFT, Department of Commerce.
- v) Department of Commerce has approved the Medium Term Framework (2017-2020) Scheme of CEPCI viz Process Mechanization and Automation of Cashew Processing Units with financial outlay of Rs. 60 crore.
- vi) With regard to availability of raw cashew nut, the Government of India has drawn up strategies to increase domestic production by massive area expansion of cashew and replacing of senile cashew plantations with high yielding varieties in traditional and non-traditional states under National Horticulture Mission(NHM) through State Horticulture Mission(SHM) and State owned corporations. As such, the production of raw cashew nuts in India during 2016-17 has registered 16% increase to 7,79,335 Metric Tons compared to previous production of 6,70,300 Metric Tons.
