

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *202
TO BE ANSWERED ON 13.03.2025

CRISIS IN CASHEW INDUSTRIES

*202. SHRI N K PREMACHANDRAN:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether the Government proposes to protect the Micro, Small and Medium Enterprises (MSMEs) from the present crisis and if so, the action taken thereon;
- (b) whether the Government proposes to implement any special programme to save the MSME Cashew Industries and if so, the details thereof;
- (c) whether the Government proposes to direct the banks for implementing the decision of the State Level Bankers Committee (SLBC), Kerala to revive the cashew industries which are MSMEs and if so, the action taken thereon;
- (d) whether it has come to the notice of the Government that suicide in cashew industry sector is increasing due to stringent action of the banks violating the decision of the SLBC and if so, the action taken thereon; and
- (e) whether the Government proposes to implement any special programme for settling the NPA of MSME Cashew Industries and if so, the action taken thereon?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

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

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 202 FOR 13.03.2025 REGARDING “CRISIS IN CASHEW INDUSTRIES”.

(a) & (b): With a view to revitalize the cashew sector in Kerala and to protect the MSME, the Government of Kerala constituted an Expert Committee in October 2022 to undertake a systematic assessment of the cashew sector. It recommended that the currently functioning private cashew processing units may reduce their viability gap by taking advantage of four existing schemes viz. Continued Operation Linked Stimulus Programme; Women Friendly Physically Infra Creation/ Upgradation; Modernization/ Upgradation of Shelling Units and Scheme for Assistance for Capital Grants for the Revival of Small and Medium Cashew Units.

Further, the Government of Kerala has introduced various schemes to support the Cashew sector which inter alia includes, Entrepreneur Support Scheme; One Family One Enterprises; Margin Money Grant to Nano Units; Scheme for Revival of MSMEs with Stressed Asset, Defunct MSME Units & Cashew Processing Units and One-Time Settlement scheme (OTS).

(c): The issue of revival of cashew industries which are MSME have been made as special agenda in the State Level Bankers’ Committee (SLBC) meeting. In the last meeting held in the month of November 2024, the issue was taken up and all banks were directed to put coordinated efforts for the rejuvenation of cashew sector. Further, it was decided to develop a common Standard Operating Procedure (SOP) for settling the loan accounts and propose the extension date of One-Time Settlement scheme (OTS) till December 2025.

(d): As reported by Government of Kerala, five individuals associated with the industry have committed suicide due to overwhelming financial liabilities.

(e): The Government of Kerala introduced One-Time Settlement scheme (OTS) for helping the banks reduce NPA and rejuvenate the cashew sector in Kerala. In the last State Level Bankers’ Committee (SLBC) meeting on November 24, it was decided that banks will take up the proposal of One-Time Settlement to individual bank boards for approval.
