

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
DEPARTMENT OF COMMERCE  
**LOK SABHA**  
**UNSTARRED QUESTION NO. 2742**  
**ANSWERED ON 16/12/2025**

CASHEW INDUSTRY CRISIS

2742. SHRI N K PREMACHANDRAN:

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

- (a) whether the Government proposes to protect the cashew industry from crisis, if so, the details thereof along with the action taken thereon;
- (b) whether the Government initiate action to give directions to the bank for implementing the revival package declared by Government of Kerala after discussion with banks and stake holders of cashew industry, if so, the details thereof along with the action taken thereon;
- (c) whether the State Bank of India is exempted from implementing the decisions for revival of cashew industries, if so, the details thereof;
- (d) whether the Government initiate action against the SBI for its violation in implementing the decisions taken in high level meeting for the revival of cashew industries, if so, the details thereof along with the action taken thereon; and
- (e) whether the Government proposes to give strict direction to SBI to implement the package declared for the revival of cashew industries, if so, the details thereof?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री जितिन प्रसाद)  
THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRI JITIN PRASADA)

(a) to (e) : The Department of Commerce through the Agricultural and Processed Foods Export Development Authority (APEDA) provides financial assistance for export promotion of its Scheduled products through its Financial Assistance Scheme (FAS), in three components: (i) Development of Export Infrastructure, (ii) Quality Development, (iii) Market Development. Scheme guidelines are available at <https://apeda.gov.in/FinancialAssistanceSchemes>. APEDA invited proposals from the cashew processing units for development of export infrastructure and received a total of 12 applications, out of which 9 applicants were granted In-Principle Approvals (IPAs) for financial assistance of Rs. 5.33 crores.

Further, the State Level Bankers' Committee (SLBC) Kerala has proactively collaborated with the Kerala State Government to support and protect the cashew sector. The SLBC Kerala, in coordination with the Cashew Revival Committee, agreed to a special One-Time Settlement (OTS) scheme for the sector, which was formalized by the Government. The scheme offers substantial relief, stipulating that units with exposure up to ₹2 crores may be settled at 50% of the base amount, and units with exposure above ₹2 crores may be settled

at 60% of the base amount. The scheme's timeline has been repeatedly extended through Government orders, with ongoing support.

No provision of exempting any member bank from considering and acting upon the revival decisions has been submitted to the SLBC. However, the final adoption of the special State-proposed OTS scheme, like all credit-related policies, is subject to the approval of an individual bank's Board, as banks maintain their own Board-approved policies and pan-India operational frameworks.

Any violation by State Bank of India (SBI) or any other bank is viewed in the context of their operational mandate. The approval and implementation of the State-level revival package are fundamentally credit policy related matters, and as such, the final implementation authority rests with the respective banks, within the overall regulatory framework of RBI.

As informed by RBI, in a deregulated credit environment, banks have been advised to take credit related decisions, including restructuring related decisions as per their assessment of the viability prospects of the borrower, in terms of the Board approved policy of the bank, subject to the prudential norms issued by Reserve Bank of India contained in the Prudential Framework for Resolution of Stressed Assets. This is a principle-based, steady state framework, which provides adequate flexibility to banks to design and implement resolution plans, tailor made to suit the unique requirements of each borrower, including those from the cashew industries.

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