

പതിനാലാം കേരള നിയമസഭ

പതിനാലാം സമ്മേളനം

നക്ഷത്രചിഹ്നമിടാത്ത ചോദ്യം നമ്പർ: 1468

04.02.2019 ൽ മറുപടിക്ക്

കൂവണ്ടി വ്യവസായത്തിന്റെ പുനരുദ്ധാരണം

ചോദ്യം

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ഉത്തരം

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(മത്സ്യബന്ധനവും ഹാർബർ
എഞ്ചിനീയറിംഗും കൂവണ്ടി
വ്യവസായവും വകുപ്പു മന്ത്രി)

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| <p>(എ) ഈ സർക്കാർ അധികാരത്തിൽ വന്നശേഷം കൂവണ്ടി വ്യവസായത്തിന്റെ പുനരുദ്ധാരണത്തിനായി എന്തെല്ലാം പദ്ധതികൾ നടപ്പിലാക്കിയിട്ടുണ്ട്; വിശദമാക്കാമോ;</p> | <p>(എ) ഈ സർക്കാർ അധികാരത്തിൽ വരുമ്പോൾ കേരളത്തിലെ പൊതുമേഖലാ വ്യവസായങ്ങൾ ഉൾപ്പെടെ പ്രവർത്തനരഹിതമായിരുന്നു. കൂവണ്ടി വികസന കോർപ്പറേഷന്റെ കീഴിലുള്ള ഫാക്ടറികൾ 2015 സെപ്റ്റംബർ മുതൽ അടച്ചിട്ടിരിക്കുകയായിരുന്നു.</p> <p>ഈ സർക്കാർ അധികാരത്തിൽ വന്ന് മൂന്ന് മാസം തികയുന്നതിന് മുമ്പ് പൊതുമേഖലയിലുള്ള 40 ഫാക്ടറികളും തുറന്നു പ്രവർത്തിപ്പിച്ചു. എന്നാൽ ധനകാര്യ സ്ഥാപനങ്ങൾ തുടർന്നു വന്ന ചില നിലപാടുകൾ കാരണം പൂട്ടിക്കിടന്ന സ്വകാര്യ ഫാക്ടറികൾ തുറക്കുന്നതിന് സാധിച്ചിരുന്നില്ല. ഇതിന് പരിഹാരം കാണുന്നതിനായി മുഖ്യമന്ത്രിയുടെ അധ്യക്ഷതയിൽ ബാങ്കിങ്ങ് സ്ഥാപനങ്ങളെ പങ്കെടുപ്പിച്ച് നിരവധി യോഗങ്ങൾ ചേർന്നിരുന്നു. അവസാനമായി 07/11/2018-ൽ ചേർന്ന യോഗത്തിന്റെ തീരുമാന പ്രകാരം ബാങ്കിങ്ങ് സ്ഥാപനങ്ങളുടേയും സർക്കാർ പ്രതിനിധികളുടേയും ഒരു കമ്മിറ്റി രൂപീകരിക്കുകയും വ്യവസായങ്ങളെ നേരിട്ട് കേട്ട കമ്മിറ്റി റിപ്പോർട്ട് ലഭ്യമാക്കിയിട്ടുണ്ട്. അതിന്മേൽ തുടർ നടപടികൾ സ്വീകരിച്ചു വരുന്നു. കമ്മിറ്റിയുടെ തീരുമാനത്തിൻ പ്രകാരം നിഷ്ഠിത ആസ്തിയും (NPA) വലിയ</p> |
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പ്രയാസമനുഭവിക്കുന്നതുമായ (Stressed) വ്യവസായ യൂണിറ്റുകൾക്ക് അധിക വായ്പയും പുനർവായ്പയും പ്രവർത്തനമുലധനവും ബാങ്കുകൾ മുഖാന്തിരം ലഭ്യമാക്കാനാണ് ഉദ്ദേശിക്കുന്നത്. അധികവായ്പയിൻമേൽ പലിശ സബ്സിഡി നൽകുന്നതിനും സർക്കാർ തീരുമാനിച്ചിട്ടുണ്ട്. തോട്ടങ്ങി ലഭ്യമാക്കിയാൽ വ്യവസായം തുടങ്ങാൻ തയ്യാറാകുന്ന യൂണിറ്റുകൾക്ക് ബാങ്കുകൾ സഹായം ലഭ്യമാക്കണമെന്ന വ്യവസ്ഥയിൽ കാഷ്യൂ ബോർഡിൽ നിന്നും ന്യായവിലയ്ക്ക് എക്സ്ക്യൂ അക്കൗണ്ട് അടിസ്ഥാനത്തിൽ തോട്ടങ്ങിയും ലഭ്യമാക്കുന്നതാണ്. പൂട്ടിക്കിടക്കുന്ന സ്വകാര്യ വ്യവസായങ്ങൾ തുറന്നു പ്രവർത്തിക്കുന്നതിനായി ബാങ്കുകൾ നൽകുന്ന അധിക വായ്പയിൻമേലുള്ള 2019 വർഷക്കാലത്തെ പലിശ സബ്സിഡിയായി നൽകുന്നതിന് ബജറ്റിൽ 25 കോടി രൂപ വകയിരുത്തിയിട്ടുണ്ട്. വ്യവസായികൾക്ക് തോട്ടങ്ങി ന്യായവിലയ്ക്ക് ലഭ്യമാക്കുന്നതിന് കാഷ്യൂബോർഡിന് തൻവർഷത്തിൽ 30 കോടി രൂപയും വകയിരുത്തിയിട്ടുണ്ട്. കൂടാതെ സഹകരണ ബാങ്കിൽ നിന്നും സർക്കാർ ഗ്യാരന്റീയിൽ വായ്പയും ലഭ്യമാക്കിയിട്ടുണ്ട്.

ഒറ്റത്തവണ തീർപ്പാക്കൽ നടത്തേണ്ട 58 വ്യവസായ സ്ഥാപനങ്ങളുടെ ആകെ ബാധ്യത ഏകദേശം 372 കോടി രൂപയും അധിക ധനസഹായം ലഭ്യമാക്കേണ്ട 76 വ്യവസായങ്ങളുടെ ബാധ്യത ഏകദേശം 218 കോടി രൂപയും വായ്പ പുനക്രമീകരിച്ച് പുരുദ്ധാരണം നടത്തേണ്ട 35 വ്യവസായങ്ങളുടെ ആകെ ബാധ്യത ഏകദേശം 216 കോടി രൂപയും അസറ്റ് റീ - സ്ട്രക്ചറിംഗ് കമ്പനിക്ക് ശുപാർശ ചെയ്ത 6 വ്യവസായങ്ങളുടെ ആകെ ബാധ്യത ഏകദേശം 61 കോടി രൂപയുമാണ്. കമ്മിറ്റി ഒറ്റത്തവണ തീർപ്പാക്കലിന് ശുപാർശ ചെയ്ത വിഭാഗത്തിൽപ്പെട്ട ഫാക്ടറികളുടെ കാര്യത്തിൽ പുനപരിശോധന നടത്തുന്നതാണ്.

2017-ൽ രൂപീകരിച്ച കേരള കാഷ്യൂ ബോർഡ് പൊതുമേഖലാ ഫാക്ടറികൾക്കും സ്വകാര്യഫാക്ടറികൾക്കും ആവശ്യത്തിന് തോട്ടങ്ങളിലെ ലഭ്യമാക്കുന്നതിനുള്ള പ്രവർത്തനം ആസൂത്രണം ചെയ്യുകയാണ്. അതിനാവശ്യമായ ഫണ്ട് പദ്ധതിവിഹിതമായും സംസ്ഥാന സഹകരണ ബാങ്കിൽ നിന്നും സർക്കാർ ഗ്യാരന്റി നൽകിയും ലഭ്യമാക്കുകയാണ്.

കേരള കാഷ്യൂ ബോർഡ് ഇതിനകം ആഫ്രിക്കൻ രാജ്യമായ ഗിനിബസ്സോ വോയിൽ നിന്ന് 3000 ടൺ തോട്ടങ്ങളിലെ ഇറക്കുമതി ചെയ്ത് സംസ്ഥാന കച്ചവടങ്ങളിലെ വികസന കോർപ്പറേഷൻ നൽകിയിട്ടുണ്ട്. മൊസാംബിക്സിൽ നിന്നും തോട്ടങ്ങളിലെ ഇറക്കുമതി ചെയ്യുന്നതിനുള്ള നടപടിക്രമങ്ങൾ പൂർത്തിയായിട്ടുണ്ട്. ഈ മാസംതന്നെ തോട്ടങ്ങളിലെ കേരളത്തിലെ ഇത്തരമെന്നാണ് പ്രതീക്ഷിക്കുന്നത്. ഘാനയിൽ നിന്നും തോട്ടങ്ങളിലെ ഇറക്കുമതി ചെയ്യുന്നതിനുള്ള ടെൻഡർ നടപടികൾ അവസാന ഘട്ടത്തിലാണ്. ബെനിൻ ഉൾപ്പെടെ ലഭ്യമായ മറ്റു സ്ഥലങ്ങളിൽ നിന്നും സീസൺ അനുസരിച്ച് തുടർച്ചയായി തോട്ടങ്ങളിലെ ലഭ്യമാക്കാനാണ് കാഷ്യൂ ബോർഡ് ശ്രമിക്കുന്നത്. സ്വകാര്യ വ്യവസായം ഉൾപ്പെടെ കേരളത്തിലെ വ്യവസായത്തിനാവശ്യമായ തോട്ടങ്ങളിലെ കേരള കാഷ്യൂ ബോർഡ് മുഖാന്തിരം ന്യായവിലക്ക് ലഭ്യമാക്കാൻ സാധിക്കുന്നതോടുകൂടി തോട്ടങ്ങളിലെ ദൗർലഭ്യം എന്ന പ്രശ്നത്തിന് ശാശ്വത പരിഹാരം കാണാൻ സാധിക്കുമെന്നാണ് സർക്കാരിന്റെ പ്രതീക്ഷ.

ആറളം ഫാം, പ്ലാന്റേഷൻ കോർപ്പറേഷൻ തുടങ്ങി വിവിധ സർക്കാർ വകുപ്പുകളുടെ കീഴിൽ പൊതുമേഖലയിലുള്ള തോട്ടങ്ങളിൽ നിന്നും സർക്കാർ നിശ്ചയിച്ച വിലയ്ക്ക് കാപെക്സിനും, കച്ചവടങ്ങളിലെ കോർപ്പറേഷനും 2017 മുതൽ തോട്ടങ്ങളിലെ ശേഖരിച്ച ലഭ്യമാക്കി വരുന്നു. 2019 ലും തോട്ടങ്ങളിലെ സംഭരണം

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| | | | <p>തുടർന്ന് വരുന്നുണ്ട്. കേരളത്തിൽ കശുമാവ് കൃഷി വ്യാപിപ്പിച്ച് കശുവണ്ടി ഉൽപ്പാദനം വർദ്ധിപ്പിക്കുന്നതിനായി സംസ്ഥാന കശുമാവ് കൃഷി വികസന ഏജൻസി നിരവധി പ്രവർത്തനങ്ങൾ ഏറ്റെടുത്ത് നടത്തിവരുന്നുണ്ട്. അത്യുല്പാദനശേഷിയുള്ള കശുമാവ് തൈകളാണ് സബ്സിഡി നിരക്കിൽ വിതരണം ചെയ്തു വരുന്നത്. തോട്ടമടിസ്ഥാന കശുമാവ് കൃഷി വ്യാപിപ്പിക്കുന്നതിനാണ് ഏജൻസി കൂടുതൽ ശ്രദ്ധ പതിപ്പിച്ചുവരുന്നത്.</p> |
| (ബി) | <p>പ്രസ്തുത വിഷയത്തിൽ സ്റ്റേറ്റ് ലെവൽ ബാങ്കേഴ്സ് കമ്മിറ്റി (എസ്.എൽ.ബി.സി.) യുമായി എത്ര മീറ്റിംഗുകൾ നടത്തിയിട്ടുണ്ട്; പ്രസ്തുത മീറ്റിംഗുകളുടെ മിനിറ്റ്സിന്റെ പകർപ്പ് ലഭ്യമാക്കാമോ?</p> | (ബി) | <p>15/02/2018, 23/05/2018, 08/06/2018, 15/10/2018, 07/11/2018 തീയതികളിലായി 5 മീറ്റിംഗുകൾ നടത്തിയതിന്റെ മിനിറ്റ്സിന്റെ പകർപ്പുകൾ അനുബന്ധമായി ചേർക്കുന്നു.</p> |



സെക്ഷൻ ഓഫീസർ

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Minutes of the meeting taken by the Hon'ble CM with the representatives of the Cashew Industry and Banks on the crisis being faced by the industry.

(Meeting held at 11 a.m. On 15/02/2018 in the Conference hall of Chief Minister)

The meeting commenced at 11.15 a.m with the Hon'ble CM in the Chair. Hon'ble Minister for cashew industry, Chief Secretary, representatives of various banks and cashew factory owners were present. Detailed list of participants is enclosed.

2. In his introductory remarks, Hon'ble CM expressed his anguish over the predicament of the cashew factory owners, who have fallen in debt trap. He referred to the incidence of a cashew factory owner committing suicide after the banks took coercive action to recover dues through the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002 (SARFAESI) by resorting to the attachment of his residence. Hon'ble CM asserted that the State cannot be a mute spectator in such a situation. Hon'ble CM said that the meeting has been convened to discuss the issues being faced by the industry so as to arrive at practical solutions to tide over the crisis.

3. Hon'ble Minister for Cashew Industry drew the attention to the previous round of meetings convened in the presence of CM and FM on the issue, and stated that the situation has become graver now. She desired that the meeting should arrive at more practical solutions to the problem. Most of the defaulters have been the victims of the high import price of the Raw Cashew Nuts (RCN). The price of RCN in the international market has reached 2600 US Dollars per MT against the price of 800-900 US Dollars per MT when the loans were availed from the banks. At such a high import price, the Over Draft (OD) should have been enhanced three times to tide over the situation. This led to a situation wherein raising of working capital to run the business has become impossible and consequently, repayment of the loans got badly affected. Hon'ble Minister opined that had the banks taken pro-active steps in time, the loans would not have become NPAs. She also stressed the need to desist from invoking the provisions of SARFAESI Act indiscriminately and urged the banks not to attach residential properties of the cashew factory owners for recovery of their dues. She urged the banks to come up with a Special Package for cashew industry which is under distress so that the current loans are rescheduled with lesser interest rates and extended repayment schedules. Hon'ble Minister also requested for declaration of moratorium on all recovery proceedings and waiving of penal and other hidden

larges. She requested the banks to play more pro-active role to enable the industry to survive and grow. She also informed that Government will extend all possible help to the factory owners for restarting their operations.

4. The representative of RBI has informed that, in most of the defaulted cases, there are no assets created with the loans availed nor there were any convincing records to prove that the loss was defaulted on account of running the business. He also informed that as a follow up to the discussion held by Hon'ble CM with RBI on the previous day, it has been decided not to attach residential properties of the defaulters, where the families reside.

5. The Hon'ble CM welcomed the decision of the banks not to proceed against the residential premises. He, however, told that majority of the defaulters have defaulted due to the reasons pertaining to running their business and that they had no intention to defraud the banks. He also expressed concern over the fact that the banks have been taking possession of the properties having values many times more than that of the defaulted amount. Hon'ble CM stressed that the issue was not related to the factory owners alone but is linked to the fate of employees working with these factories, and thus the issue has a bigger social angle.

6. Sri. K. B. Kannampilly, Consultant for Kollam Cashew Manufactures and Exporters Association, informed that pursuant to the discussion held with the banks, they have prepared a Project Report to reinvigorate the Cashew Industry with a Cluster approach, and that they are in touch with the banks to finalize Project Reports regarding revival of the factories on a one-to-one basis. He requested that the banks may take a final call on the Project Reports submitted without delay.

7. Sri. Babu Oommen, representing Cashew factory owners, explained that it was due to the fluctuation in market rates of the RCN as well as the end products that they are unable to repay the OD within the stipulated time. Instead of extending the OD facility, the banks started recovery proceedings resulting into the loans becoming NPAs. He urged that if the banks consider converting the OD outstanding at the end of the year to term loans and rescheduling the loan, the present crisis can be tide over to a greater extent. He also requested to bring down the current local interest rates to below 10% (ten percent) and to waive the penal and other hidden charges.

8. Sri. S. Raveendran Nair, president, Kollam Cashew Manufactures and Exporters Association, drew the attention of the meeting to the fact that 20 odd NPAs have been handed over to Asset Reconstruction Companies (ARCs) by

ertain banks. The CM urged that ARCs may not be involved in recovery of dues as it will worsen the current situation.

9. Concluding the discussion, Hon'ble CM put forward the following for consideration by the banks:

- i. The current loans may be re-scheduled by waiving the penal and other hidden charges and arriving at an attractive One-time-settlement (OTS).
- ii. Banks should consider restructuring the existing loans by considering the Project Reports furnished by the factory owners and extend long term loans with reduced interest rates.
- iii. Banks should consider lowering interest rates from the current rates for future loans.
- iv. Banks should consider extending Over Draft facility to raise the working capital required for the factories to restart their operations.
- v. While considering packages as above, the banks may also involve the representatives of the factory owners.

10. In response, the representatives of banks informed that the above mentioned suggestions would be discussed in the Sub-committee of the State-level Bankers' Committee (SLBC) for Cashew Industry for taking appropriate decisions.

11. Hon'ble Chief Minister desired that the banks may take a decision on the above issues within two weeks, and that another round of meeting will be convened after two weeks.

Meeting concluded at 12.15 p.m. with mutual thanks.

List of Participants

| | |
|---------------------------|--|
| Sri.S.Jayamohan | Chairman, KSCDC |
| Sri.Paul.N.R | Vice President,Zonal Head Federal Bank |
| Sri.M.P.Davies | Additional GM (I/c) Head Office,Cathelic Syrian Bank |
| Sri.Suresh.M.N | Vice President Phonix ARC Pvt.Ltd |
| Sri.Anand.K | Chief Manager, PNB, TVM |
| Sri.Gurumurthy.K | Deputy Circle,HEAM-AGM |
| Sri.P.M.Siki | Deputy,General Manager,South Indian Bank |
| Sri.Mahesh kumar.V | Zonal Manager Bank of India |
| Sri.N.K.Krishnan kuty | DGM,Canara Bank SLBC |
| Sri.B.Siva kumar | General Manager,RBI |
| Sri.P.Damodara Rao | Syndicate Bank, AGM |
| Sri.Santhosh V.S | Divisional Manager Canara Bank |
| Sri.G.Nandakumar | Sr.Manager, SLBC,Kerala |
| Sri.K.Sivaprakash | DGM (SME)SBI |
| Sri.Sreekumar | AGM ,SBI |
| Sri.Sreejith.G.S | AGM,CSB |
| Sri.Manoj.R | BH,Axis Bank |
| Sri.George Augustine | Regional Head,HDFC Bank |
| Sri.Sreejith.S | AGM,IDBI Bank |
| Sri.K.Lekshman Kudra | AGM,Corporation Bank |
| Sri.Vikraman.R | Secretary, FCPE Cashews |
| Sri.Nizamudeen.I | President, FCPE |
| Sri.Jaison.G.M | St.Marys Cashew |
| Sri.Jobran.G.Varghese | Lourdesmatha cashew Industries |
| Sri.Babu Oommen | Alfonsa Cashew Industries |
| Sri.S.Ravindranadnan Nair | President, Kollam Cashew Manufactures & Exporters Association |
| Sri.K.B.Kannampilly | Consultant, Kollam Cashew Manufactures & Exporters Association |
| Sri.Y.Rajan | General Secretary,Kollam Cashew Manufactures & Exporters Association |

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2023/01/20

Caran Jaiswal II

Minutes of the meeting with members of the SLBC and other major Banks on the issue faced by Cashew Industry on repayment of dues on 23rd May 2018 at Chief Secretary's Conference Hall.

Chief Secretary Chaired the meeting and welcomed the members present. The details of participants are enclosed.

At the outset, Principal Secretary (Cashew) briefed the meeting on the difficulties faced by the cashew processing industry to service the loans in the context of unavailability of raw cashew nuts and thereby either stoppage of processing or very low capacity utilization in the factories. He added that, in the light of the decision taken in the meeting convened by the Hon. Chief Minister on 25th February 2018 on the same issue, the banks have deferred recovery proceedings till 31st May 2018. Now the representatives of the cashew industry have petitioned the Government to further give relaxation in the recovery proceedings besides, seeking several other incentives. He added that, as was decided in the earlier meeting chaired by Hon. CM, several industries have submitted several revival packages to the banks. However, the banks have not considered the proposals so far on various grounds.

As requested by the Chief Secretary, representatives of various banks present informed the details of exposure, number of accounts handles, number of accounts under stress/NPA and the amount of funds under NPA. The approximate details as submitted by the banks are as follows:

| Sl. No | Name of Bank | Total Exposure (Cr) | No. of accounts | No. of accounts under stress / NPA | Estimated NPA in Cr |
|--------|-----------------------------|---------------------|-----------------|------------------------------------|---------------------|
| 1 | Canara Bank | 400 | 100 | 25 | 100 |
| 2 | Federal Bank | 500 | 75 | 25 | 150 |
| 3 | South Indian Bank | 420 | 40 | 10 | 50 |
| 4 | Catholic Syrian Bank | 200 | 25 | 23 | 100 |
| 5 | Indian bank | 700 | 15 | 10 | 200 |
| 6 | Indian Overseas Bank | 200 | 150 | 60 | 50 |
| 7 | Bank of India | 25 | 10 | 7 | 15 |
| 8 | Corporation Bank | 35 | 12 | 7 | 30 |
| 9 | Syndicate Bank | 30 | 3 | 2 | 20 |
| 10 | IDBI | 40 | 12 | 3 | 12 |
| 11 | Axis Bank | 10 | 4 | 2 | 3 |
| 12 | Tamil Nadu Merchantile Bank | 22 | 6 | 2 | 8.5 |
| | Total | 2582 | 452 | 176 | 738.5 |

The details from SBI was not available as there was no representative

As can be seen, approximate exposure to cashew industry in Kollam region alone is Rs 2582 Crores, out of which about Rs. 740 Crores are under NPA. Representatives of the Banks informed that, some of the cashew factories are performing well while a minority of them are in trouble. Some of the major reasons for not considering the refinancing options, as stated by the representatives of the banks are;

1. The details in the Balance Sheet does not match the ground realities. For instance, although the Balance Sheet shows profit, there is no corresponding stock or receivables. Hence Banks are not in a position to consider their request.
2. The factories are not modernized and have a fair degree of manual operations, making it unviable in today's circumstances. Altogether, 17 states process cashew nuts in India and almost all of them except Kerala have mechanized the operations. So till such time the factories are mechanized, the operations are not profitable. Therefore, it is very difficult for the Banks to consider the refinance request.
3. Till such time, RBI declares a specific relief to the sector, Banks cannot have a special consideration on handling the dues.
4. Some of the Banks complained that, some of the owners have diverted the funds to other business and therefore not able to bring in sufficient capital to cashew sector.

Representatives of the Reserve Bank of India, informed that the cashew industry have requested RBI to declare Cashew as a sick industry and the proposal has been sent to the head office in Mumbai, as it is a policy decision.

Members of the SLBC Sub Committee on Cashew stated that, the cashew processing association has submitted a memorandum to the Government suggesting several measures to be adopted to make the sector profitable. This includes, mechanization of their factories, freeze of wages for a period of three years, freeze of DA and curtailment of holidays etc.

Principal Secretary (Cashew) requested that, additional three months' time from 1st June 2018 may be granted for not proceeding with the recovery proceedings. However, all the Bank representatives expressed their inability to accept the request, as they are already losing money considering that statutory recoveries like PF, ESI have the first charge and even if they proceed now, may not recover the entire cost.

After detailed discussion following decision was taken

1. A joint task force to be constituted consisting of representatives from SLBC, RBI and Cashew Department to examine all the 176 cases of stressed or accounts under NPA to study the issue in detail on a case to case basis and suggest measures to the

Government for any remedial actions. The committee to complete the examination of the cases in a month time and submit report to the Government.

2. Government to examine the suggestions made by the Cashew Processing Association to effect a freeze on the wages, DA, curtailment of holidays and the issue of mechanization of the factories and take appropriate decision at the earliest, for the bank to consider the revival proposals.

The meeting came to a close by 1-15pm


02/08/2000 03:07 PM

6/17/2018 III

Minutes of the meeting taken by the Honourable Chief Minister with the representatives of banks on the crisis being faced by the cashew industries.

(Meeting held at 3PM on 08.06.2018 in the Conference hall of the Chief Minister)

Meeting commenced as per the schedule, with Honourable Chief Minister in the chair. List of participants enclosed.

Chief Secretary welcomed the representatives of banks to the meeting. He drew the attention to the decision taken in the last meeting the Honourable Chief Minister had with the representatives of banks. He appreciated responses of the banks so far with special reference to the holding on the recovery process till 31st May. He however remarked that there was little progress in considering the revival proposals submitted by the individual factory owners.

The Honourable Chief Minister told the meeting that the Government is committed to find solutions to the problems faced by the cashew industry in the state. He stressed the need that banks should take pro-active role in rescheduling the loan. He also informed the banks that with the advent of Kerala Cashew Board(KCB), Government would be able to ensure steady supply of RCN to private factories as well at reduced rates. He also informed that the Government would consider the level of mechanisation in the industry after discussing with the stake holders. He then requested the banks to deliberate on their views on the revival proposals submitted by the factory owners.

The Honourable Minister for Cashew Industry requested the banks not to take a general view that all defaulters are frauds. She remarked that it was due to the influx of smaller units and emergence of traders that resulted in the present crisis. Government would not advocate the case of the factory owners who diverted funds for other purpose than the cashew business. She also wanted the banks to rethink their stand on mechanisation that the mechanisation should not be made a touch stone for considering the revival package since the mechanisation itself need large scale capital investment which may not be feasible for the debt ridden factory owners. The current cashew season has been showing some positive signs with setbacks to the Vietnam in the sector. She desired that the banks should take pro-active steps with regard to the revival of viable units with their support so that the current advantage are better utilised for the survival of the industry. For non-viable units OTS packages may be arrived and for the viable units loan may be rescheduled as fresh term loan. If the banks coming with a suitable package Government can think of extending some support to shoulder a part of the burden on interest as subsidy.

Subsequently the banks were asked to report the exposure of loan, number of NPAs and the volume of NPA. Individual banks reported the details and the steps taken on the proposal submitted by the cashew owners regarding their revival. The representatives of the banks were of the general consensus that they can consider the revival proposals on a case to case basis and that they will extend all possible help, adhering to the frame work of RBI guidelines in this regard. The banks were also of the

view that RBI needs to relax the norms with regard to rescheduling of the accounts fallen as NPA. Some were of the opinion that Government of India should come up with a special package as done in the case of Karnataka cashew factory owners.

Speaking on the occasion the Principal Secretary Finance stressed the need to reschedule the loan of viable units with some additional capital or security from the part of the owners. They also need to extend additional working capital loan for at least a cycle of operations. He was also of the view that with Government's involvement, supply of RCN can be ensured for the units that can be revived with rescheduled loan at lesser interest rate. He also wanted the banks to take decision at the earliest so that the viable units are revived in the cashew season itself.

The Vice Chairman SPB said that the issue in hand gets more significance as it involves more than a lakh of employees of which 95% are women. He desired the banks to do a quick study on the special package for the revival of the sick units so as to take up with the GOI.

The representative of RBI stated that the decision on bringing changes on the guidelines applicable for the rescheduling of NPA accounts has to be taken by their head office. The state Government may take up the issue with the SLBC.

Concluding the discussion the Hon'ble CM reiterated the need to reinvigorate the cashew sector in the state. He told that though the Government desires to revive all sick units, banks can take appropriate decision in the case of those who fraudulently diverted funds for other purposes. Banks should take pro-active steps in reviving the genuine cases. Banks should take each case individually and decide things on a positive note. He also desired that the banks extend a helping hand in the case of eligible units if the bank reschedule their existing loan and sanction additional working capital loan. Government would finalise the modalities in this regard after discussion with the factory owners. He also informed the banks that issue of mechanisation and other concerns would be discussed with the owners as well as the trade unions. The Hon'ble Chief Minister requested the banks to hold on the recovery measures till August 31st so that Government could take concrete decisions as to revival of the industry. The meeting concluded at 4.10 PM with C.M thanking the participants.

List of Participants

| Sl. No. | Name | Designation |
|----------------|-------------------------|---|
| 1 | VK Ramachandran | State Planning Board |
| 2 | Anil Kumar | General Manager, Canara Bank |
| 3 | GK Maya | Convenor, SLBC, Kerala |
| 4 | R Harikrishna Pisharady | Federal Bank |
| 5 | Arun Modi Ratia | HDFC Bank(9496014001) |
| 6 | KVN Murthy | Regional Manager |
| 7 | MP Davies | Zonal Manager, Catholic Syrian Bank |
| 8 | Benoy Varghese | Country Head South Indian Bank, HO Thrissur |
| 9 | G Lakshmi pathi Reddy | General Manager(Credit) Indian Bank Corporate Office, Chennai |
| 10 | T Keshav Kumar | CGM(SARG) SBI, CC Mumbai |
| 11 | S Venkataraman | Chairman, SBI Kerala Circle |
| 12 | Haridas KV | DMD, SBI Mumbai |
| 13 | SMN Swamy | RD, RBI, Tvm |
| 14 | Vinod Joshi | GM, PNB, Chennai |
| 15 | Praveenkumar VR | GM, RBI, Tvm |
| 16 | Sarita Singh | Circle Head, PNB, Ernakulam |
| 17 | Maheshkumar V | Zonal Manager, Bank of India |
| 18 | S Suresh | Zonal Manager, Indian Bank |
| 19 | PM Sibi | Dy GM, South Indian Bank, |
| 20 | Renjith R Nair | AGM, South Indian Bank |
| 21 | R Sivakumar | Asst. General Manager, IDBI Bank Ltd |
| 22 | Varada Menon | Regional Head Kerala IDBI Bank Ltd |
| 23 | Sreejith S | AGM, IDBI Bank, Kollam |
| 24 | NK Krishnankutty | DGM, Canara Bank |
| 25 | G Nandakumar | Sr-Manager SLBC Kerala |
| 26 | K Santhosh | DGM, IOB |
| 27 | Thomas Kuriakose | Dy. Vice President Federal Bank, ZO, Tvm |
| 28 | Santhosh VS | Regional Head Kollam Region, Canara Bank |

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|----|--------------------|---|
| 29 | Hari CV | Dy. Vice President, HDFC Bank |
| 30 | Srikumar Nair | SVP, HDFC Bank |
| 31 | Subhash N | Vice President, HDFC Bank |
| 32 | Sreejith GS | AGM CSB |
| 33 | Bindu P | CM, Corporation Bank |
| 34 | K Laxman Kudra | AGM Corporation Bank |
| 35 | N SelvaRaju | DGM, Tamilnad Mercantile Bank Ho Thoottukudi |
| 36 | P Jebananth Julius | RM, TMB, RO Thiruvananthapuram |
| 37 | T Bharath | Asst. Manager, Tamilnad Mercantile Bank Ltd. |
| 39 | Ajaykumar KG | Area Manager Bank of India |
| 40 | Rajeev K | Deputy Vice President (SME), Axis bank, Kochi |

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Minutes of the meeting convened by the Chief Secretary with the SLBC and other representatives of Banks on the crises faced by the Private Cashew factory owners in the state at 11 AM on 15th October 2018

Chief Secretary chaired the meeting. The list of attendees is enclosed.

Principal Secretary (Industries) briefed the meeting on the previous decisions taken at the level of Hon. Chief Minister in February 2018. As per the decision, the Banks have deferred the recovery actions, initially till 31st May 2018 and later till 30th September 2018. He further requested that, the situation has not improved on the performance of the units and thus more time may be given to them to settle the dues and in the meantime, the banks may consider the revival programme.

Chief Secretary enquired about the total exposure on the banks to this sector and elicited their response on the request of the Principal Secretary (industries). SLBC informed that the total exposure is around Rs 3000 Crores and Rs 535 Crores are under NPA category. Chief Secretary requested the details of the units identified by the banks for revival program.

However, the bank representatives were unanimous in stating that, no more relaxation can be given in recovery proceedings as RBI has been monitoring the NPA cases and actions are initiated on the defaulting managers. They suggested that, Government of Kerala could take up the case with the Reserve Bank of India for according special status on this industry and could advocate mechanization of the units to reduce the cost of production.

Principal Secretary informed that, KCB is in the process of procuring Raw Cashew Nuts and supplying to the units. Therefore, the processing may get improved which will improve the financial status of the units.

After detailed discussions, following decision were taken;

1. SLBC will submit a detailed list of units under NPA and those under stressed assets, for compilation and assessment of the situation. They should also submit the details of units that sought revival package after 15th Feb' 2018 and how many of them were assisted. This should be submitted before 25th October 2018.
2. A committee consisting of a representative of SLBC, RBI and Government of Kerala will be constituted for purpose of individual assessment of liabilities and way and means to find solutions for their revival. The representative of the concerned bank will be the fourth member in the committee. The committee will hold discussions with the unit management and assess the possibility of turning around. In the case of a possibility of turning around, the unit should be assisted with the new loan.

3. Government of Kerala will request RBI again for relaxing provisioning norm so that, restructuring of loans could take place without considering the present asset classification.
4. Next review meeting will be conducted after a month, by which time the committee should have completed the assessment of the defaulting units.

The meeting came to a close by 12-10 PM.

List of Participants

| Sl. No. | Name | Designation |
|---------|------------------------------|--|
| 1 | Shri. NK Krishnankutty(SLBC) | DGM, Canara Bank |
| 2 | Shri. Sunil Kumar S(SLBC) | DM, Canara Bank |
| 3 | Shri. G Nandakumar(SLBC) | Sr-Manager SLBC Kerala |
| 4 | Shri. S Suresh | Zonal Manager, Indian Bank |
| 5 | Shri. KVN Murthy | Regional Manager, Syndicate Bank |
| 7 | Shri. Raju S.Nair | Deputy Vice President, Federal Bank |
| 8 | Shri. Jacob Panicker | Vice President, Federal Bank |
| 9 | Shri. G Lakshmipathi Reddy | General Manager(Credit) Indian Bank Corporate Office, Chennai |
| 10 | Shri. Sree Kumar S. | AGM(SBI) |
| 11 | Shri. T. Bharath | Assistant Manager, TMB |



6/10/2023

accounts. Hon. Minister (Cashew Industries) desired that a detailed bank wise list of stressed accounts be furnished to the Government for the department to initiate action.

Addressing the participants, Hon. Chief Minister expressed disappointment over lack of any solution to the issue despite several meetings have taken place. He pointed out that a consensus is achieved on partial mechanisation and establishing Kerala Cashew Board (KCB) for supply Raw Cashew Nuts (RCN). However, on the financial aspects of reviving the units, no such steps are seen taken by the banks. He further mentioned that if the banks desire, they could finance the working capital through the banks by entering into an agreement with KCB. Government will also consider formulating a scheme for interest subvention as far as the new loan extended to the units under distress. Honourable Chief Minister also desired that the decisions taken in the meeting of the CS with banks should be followed up with its earnestness. He urged the department to constitute the committee for scrutinizing the financial viability of the units.

Representatives of the cashew units requested that steps regarding revival of the units should not be delayed further. They also drew the attention to Government of India scheme for MSMEs, where in clusters of cashew units can be formed so as to avail grants for strengthening the common infrastructure for mechanisation. Representatives of the banks mentioned that, these issues are before their respective Boards and the sentiments will be communicated to the Board for necessary actions.

After a detailed discussion on the issues the meeting decided the following:

1. SLBC will furnish detailed bank wise list of units under NPA and under stressed to the Government within a week.
2. Orders will be issued by the Government constituting a committee for the purpose of assessment of financial viability, revival package and to consider the request for additional / fresh loans to the units under NPA and Stressed category. The committee will finalise its proceedings latest by the end of December 2018.
- 3.KCB will provide RCN to Cashew Units which are ready to start operations. The Bank concerned shall finance KCB for the RCN so supplied as per an agreement on repayment of loan, signed between the Bank and Industrial Units.
- 4.Director of Industries & Commerce, Government of Kerala will coordinate forming of clusters of cashew units under MSME.
- 5.Government will formulate a scheme for interest subvention of those units revived by the banks with additional loans.
6. The banks will defer recovery measures till the committee vide item 2 above, finalises its proceedings.

Meeting concluded at 5.15.

| Sl. No. | Name (Shri/Smt) | Designation | Phone Number |
|----------------|----------------------------|--------------------------------------|---------------------|
| 1 | P Marapandian | CMD, Kerala Cashew Board | |
| 2 | Sooraj S | AGM, RBI | 9870993406 |
| 3 | TR Geetha | DGM, SME State Bank Of India | 8547858803 |
| 4 | Sreekumar S | AGM, State Bank of India | 9619615610 |
| 5 | Babu Kurian | DGM Canara Bank | 8281991505 |
| 6 | Indusree. S | Dy. Regional Manager, Syndicate Bank | 9495040017 |
| 7 | Sunil Kumar S | DM, Canara Bank (SLBC) | 8281991522 |
| 8 | G Nanadakumar | Sr Manager, SLBC | 9446305159 |
| 9 | Muhammed Anseem | Manager, SLBC, Kerala | 9847370437 |
| 10 | M Girees Kumar | Conusltant, KCB Ltd | 9895262402 |
| 11 | S Ramesh Kumar | AGM, IOB | 9249215962 |
| 12 | S Suresh | DGM, ZM, Indian Bank | 9446007501 |
| 13 | Renjith R Nair | AGM, South Indian Bank | 8017516680 |
| 14 | P Jebananth Julius | Rgl. Manager, TMB Ltd | 9447234402 |
| 15 | Sangeeth N | AGM, IOB Bank | 9847912651 |
| 16 | K Laxman Kudra | DGM, Corporate Bank | 9731904056 |
| 17 | C Rajkumar | Sr. Manager, PNB | 9447698497 |
| 18 | Sooryakanth PV | Manager, HDFC Bank | 9645111920 |
| 19 | MP Davies | Zonal Manager, Catholic Syrian Bank | 9249410292 |

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|----|-------------------------|---|------------|
| 20 | Tom Thomas Thekkel | | 9747593380 |
| 21 | Jacob Eapen. U | Asst. Vice Presedent, Federal Bank | 9446468500 |
| 22 | S Jayamohan | Chairman, KSCDC | 9447417711 |
| 23 | PR Vasanthan | Chairman, Capex | 9446404099 |
| 24 | S Raveendranathan Nair, | Presedent, Kollam Cashew Manufacores and Exporters Association | 9745363339 |
| 25 | Babu Oommen | Proporietor, Alphonsa Cashew Industries | 9447015579 |
| 26 | A Abdul Salam | (MARK) Associated Cashew Industry | 9847070286 |
| 27 | Jaison Q Oommen | Proporitor St. Mary Puthoor Cashew | 9447075127 |
| 28 | K Rajesh | State Convenor, Kerala Cashew Protest Council | 8848937162 |
| 29 | I Nizamudeen | President, Federation of cashew processing and Exporters Kollam | 9747984450 |
| 30 | K B Kannanpilly | | 9447742166 |
| 31 | Y Rajan | General Secretary , Cashew Manufacors Association | 9387314884 |
| 32 | Adith KR | Sr. Manager, Axis Bank Trivandrum | 9995584068 |
| 33 | Ajit Gopinath | GM, Vijayalaxmi Cashew Company | 9387570305 |
| 34 | Sasidharan Pillai | | 9387940906 |
| 35 | B Jayaprakash | Prakash Cashew Company | 9447055526 |

| | | | |
|----|------------------------|--|------------|
| 36 | Rajesh Ramakrishnan | MD, KSCDC | 9447230750 |
| 37 | Vikraman. R | Sreekand Cashew | 9447142283 |
| 38 | P Lali | Jayanarayana Cashews | 8156840896 |
| 39 | T Gopalakrishna Pillai | Sreekrishna Cashew Industry, Meeyannoor, Kollam | |
| 40 | D MathewKutty | Mount Carmel Cashew, Kottamam | 7034677555 |
| 41 | Sabu V | Anagel Cashew, Mylom | 9447152443 |
| 42 | Biju. C | Nithin Cashews | 9947141701 |
| 43 | S Ashkar Khan Musalir | Ashkar Cashew Industries | 9447095207 |
| 44 | A Dileepshan | Aliya Cashew Industies | 8921284860 |
| 45 | Abdul Salam | Munna Cashew | 9387904904 |
| 46 | Nidheesh R | Jyothis Cashew Factory | 9895454547 |
| 47 | Sreekumar BS | Proprietor, Mookambika Exports | 9846016209 |
| 48 | S Sasidharan | Proprietor, Mahalekshmi Cashew | 9961439189 |
| 49 | S Biju | Proprietor, Kairali Cashew | 9349585956 |
| 50 | Muhammed Shan | Federation of Cashew Processors & Exporters | 8089728501 |


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