



GOVERNMENT OF KERALA

Abstract

Industries Department - Revival of Private Cashew Industry - One-Time Settlement (OTS) Scheme - Implemented - Orders issued.

INDUSTRIES (K) DEPARTMENT

G.O.(Rt)No.1083/2026/ID Dated,Thiruvananthapuram, 14-09-2026

Read:- 1. G.O.(Rt) No.224/2022/ID dated 14/03/2022.

- Minutes of the meeting held on 16.07.2026 chaired by the
2. Hon'ble Chief Minister with the State Level Bankers' Committee (SLBC).
 3. Letter No.SLBC/Cas/191/2026/AJS dated 14.08.2026 from the Convenor, State Level Bankers' Committee (SLBC).
 4. Letter dated 05.09.2026 from the Chairman & Managing Director, Kerala Cashew Board Ltd.

ORDER

As per the Government Order read as 1st paper above, a One-Time Settlement (OTS) scheme was implemented to assist entrepreneurs whose loan accounts had turned into Non-Performing Assets (NPAs), with the objective of reviving the private cashew sector. The validity of the said scheme expired on 31.12.2025.

2. A high-level meeting chaired by the Hon'ble Chief Minister, in the presence of the Hon'ble Minister for Cashew, was held on 16.07.2026 with the State Level Bankers' Committee (SLBC) to deliberate on the revival of the OTS package for the private cashew industry. In the meeting, it was decided to formulate a renewed OTS scheme to support the sector. Accordingly, the SLBC Convener submitted suggestions from member banks vide paper read as 3rd above and the Chairman & Managing Director, Kerala Cashew Board Ltd, forwarded the comprehensive proposal vide paper read 4th after detailed consultations with the SLBC.

3. Government have examined the matter in detail and are pleased to

accord sanction for the implementation of the **One-Time Settlement (OTS) Scheme**, for the private cashew sector for a period of one year with effect from **15.09.2026**, subject to the following criteria and conditions:

1. This scheme will come into effect from 15.09.2026.
2. Accounts classified as Non Performing Asset (NPA) as of 31.03.2021 are covered under this scheme.
3. Accounts that have become NPA after 01.04.2021 till 31.03.2023 shall also be considered favourably by banks for OTS on a case-to-case basis.
4. For NPA accounts with sanctioned amounts up to ₹2 Crore, OTS will be granted upon approval of 50% of the base amount. For NPA accounts with sanctioned amounts exceeding ₹2 Crore, OTS will be granted upon approval of 60% of the base amount.
5. Account holders (borrowers) opting for the scheme must submit a formal application to banks along with an **initial payment of 10% of the calculated OTS amount** on or before **15.11.2026**. Upon formal approval by the bank, the balance amount must be cleared as per the agreed terms and conditions of OTS scheme.
6. An interest-free period of 90 days from the date of sanction is permitted in normal cases. However an additional time period upto 1 year shall be considered by banks on a case to case basis wherever borrower has taken steps and shown the intent to pay the amount under OTS sanctioned. In cases where multiple properties including factory properties are involved, providing additional time up to 1 year shall be considered by banks seeing the nature of security & salability factors.
7. The cashew business activities, including production, processing, value addition, etc falls within the scope of this settlement, while accounts involving solely trading activities may be excluded.
8. Applicants must produce a copy of audited financial statements for any previous year establishing operational losses of the business entity.
9. If a borrower fails to pay the sanctioned OTS amount, any amount

deposited under the scheme will be adjusted towards the principal loan amount.

10. Banks will favorably consider the amounts repaid subsequent to account becoming NPA on a considerate case to case basis while arriving at the OTS amount.

11. All recovery proceedings will be kept in abeyance only to those borrowers to whom OTS has been permitted under the scheme and till the period of agreed OTS.

12. For borrowers with multiple title deeds pledged as security, banks shall grant part-release of properties, provided the remaining pledged securities adequately secure the outstanding OTS liability. The initial 10% payment shall be treated over and above the value of the property intended to be released and will be earmarked towards the final property to be released.

13. This scheme is intended exclusively for loan facilities extended to the activities mentioned in point no: 7. Any other loan liability of the concerned borrower which are not directly related to the cashew sector shall not be covered under the scheme. Hence such liabilities if any shall be dealt with and settled separately in accordance with the applicable General Guidelines, OTS Policy or other settlement schemes of the respective banks.

14. The FITL component will be part of then liability considered for calculating the One-Time Settlement (OTS) amount.

15. Banks shall consider GECL loans separately in a favourable and considerate manner.

(By order of the Governor)
K BIJU I A S
SECRETARY

To:

The SLBC Convenor & General Manager, Canara Bank,
Thiruvananthapuram.

The Chairman & Managing Director, Kerala Cashew Board Ltd,
Thiruvananthapuram.

The Director, Directorate of Industries & Commerce, Thiruvananthapuram.
The Special Officer (Cashew) & Chairman, Kerala State Cashew
Development Agency, Kollam.

The Principal Accountant General (A&E)/(Audit), Thiruvananthapuram.

✓ Information & Public Relations Department (Web & New Media), for
publication.

Stock File (K2/62/2026-IND).

Forwarded /By order

Digitally signed by
Section Officer
Simi Jose V
Date: 15-09-2026
10:32:01

Copy to:

The P.S. to the Hon'ble Chief Minister.

The P.S. to the Hon'ble Minister for Cashew.

The C.A. to Secretary (Cashew).