

KERALA

# Banks accept govt. decision on moratorium

**SPECIAL CORRESPONDENT**

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## SLBC and government will move Reserve Bank of India for necessary clearance

In a huge relief to farmers, the State Level Bankers' Committee (SLBC) has accepted Tuesday's State government decision prohibiting banks from recovering loans taken by farmers till December 31 this year.

The bankers' committee, which met Chief Minister Pinarayi Vijayan here on Wednesday, agreed, in principle, to stop debt-recovery proceedings on agriculture as well as non-agriculture bank loans taken by farmers, Agriculture Minister V.S. Sunil Kumar told reporters after the meeting. For enforcing the government decision, the SLBC and the government would move the Reserve Bank of India (RBI) for the necessary clearance, Mr. Sunil Kumar said.

The banks had accepted the State government recommendation to fix the interest on loans at 9%, Mr. Vijayan said. He told Wednesday's meeting of the government decision to meet the payment of interest on fresh loans taken by farmers for one year.

Further, the SLBC representatives had responded positively to the government decision to include commercial banks in the ambit of the [Kerala](#) State Farmers' Debt Relief Commission, Mr. Vijayan said. According to the Agriculture Department, commercial banks account for 65% of the farm loans in Kerala.

The government had convened a special meeting of the Cabinet on Tuesday, alarmed by the farmer suicides that followed in the wake of the devastating 2018 floods. Although the government had declared a moratorium on loans from October 12, 2018, not all banks had toed the line. Despite the government decision, farmers continued to receive recovery notices with banks invoking Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 (also known as the SARFAESI Act).

Revenue Minister E. Chandrasekharan, Cooperation Minister Kadakampally Surendran, Finance Minister T.M. Thomas Isaac, Water Resources Minister K. Krishnankutty, Chief Secretary Tom Jose, Agriculture Production Commissioner Devendra Kumar Singh, Special Secretary (Agriculture) Rathan Kelkar and Agriculture Director P.K. Jayasree were present.

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