STATE LEVEL BANKERS' COMMITTEE, KARNATAKA (SLBC)

(Convenor: Canara Bank)

MINUTES OF THE 177th SPECIAL SLBC MEETING

(Relief Measures in Drought-Affected Areas of Karnataka by banks)

Meeting	177th Special SLBC Meeting on Relief Measures by Banks in Drought Affected Areas in Karnataka
Date	**10.09.2026**
Mode	Hybrid Mode
Chairperson	Smt. Uma Mahadevan, IAS, Additional Chief Secretary & Development Commissioner, Government of Karnataka (joined online)
Convened by	SLBC Karnataka (Canara Bank), pursuant to RBI's directive to hold a Special SLBC meeting within 15 days of drought declaration
Purpose	To take stock of the drought situation and finalise bank relief measures for drought-affected borrowers in Karnataka, as mandated by RBI guidelines on relief measures in areas affected by natural calamities

1. Background

The Government of Karnataka declared drought in 101 taluks with effect from 27.08.2026, based on objective parameters as per Government of India norms (Notification received at SLBC on 31.08.2026). Of the 101 taluks (spread across 24 districts), 89 were classified as severely affected and 12 as moderately affected, covering approximately 19 lakh hectares and around 30 lakh farmers.

Smt Uma Mahadevan, IAS, Additional Chief Secretary and Development Commissioner in her initial address highlighted the importance of swift action in terms of providing relief to the drought affected farmers. Dr Vishal, IAS, Secretary, Fiscal Reforms (FR) Finance Department, GoK, also stressed on the coordinated approach of bankers and the departments of Agriculture, Horticulture, Animal Husbandry & Fisheries to join hands in minimising the hardships being faced by the farmers across the state.

The Principal Secretary, Disaster Management informed the meeting that drought is a slow, progressive phenomenon and that the numbers are expected to rise further — an additional 30–40 taluks were expected to be notified shortly, potentially taking the total towards 200 taluks and 60–70 lakh affected farmers. Crop loss in the range of 30–90% was reported across most districts, barring coastal districts. The impact of a strong ("Super") El Niño was highlighted, with equatorial Pacific temperatures running about 2°C above normal and effects potentially persisting into 2027. This year's rainfall deficit was noted as the second-lowest in the last 50 years, next only to 2002.

As per Reserve Bank of India (Resolution of Stressed Assets) Directions, 2025 (updated as on July 01, 2026) , a Special SLBC meeting is required to be convened within 15 days of drought declaration to take stock of the situation and recommend relief measures for affected borrowers. This meeting was accordingly convened, within the stipulated 15-day timeline, on 10.09.2026.

2. Presentation of Proposed Relief Measures

The SLBC Convener (Canara Bank) presented the proposed relief framework, developed on the basis of aforesaid directions and the SOP on relief measures in areas affected by natural calamities issued by Reserve Bank of India. Key elements presented were as follows.

2.1 Eligibility

- Only 'standard' accounts — i.e., accounts not overdue for more than 30 days — as on the date of declaration of drought (27.08.2026) are eligible for the relief package.

2.2 Guiding Principles (per RBI Framework)

. The guidelines, inter-alia, include:

- The resolution plan to be implemented by a bank, taking into account inter alia the recommendation of the SLBC / UTLBC / DCC, may include rescheduling of payments; conversion of any interest accrued or to be accrued into another credit facility, etc. based on an assessment of the viability prospects of the borrower, etc.
- While restructuring various types of loans in an area affected by a calamity, banks may also take into account the insurance proceeds, if any, receivable from insurance companies in respect of those loans. The insurance proceeds upon receipt shall be adjusted towards the 'restructured accounts' in cases where fresh loans have been granted to the borrower. However, a bank may consider restructuring and sanctioning fresh loans without waiting for the actual receipt of the claim.
- Interest Subvention / Prompt Repayment Incentive benefits as notified by the Government from time to time shall be made available to the eligible categories of borrowers without any exception. While extending relief measures under this framework, Regulated Entities shall factor in the relief measures already provided / being provided by GoI / States are duly factored in.

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2.3 Moratorium and Repayment Extension

- Moderately affected blocks (12 taluks): Moratorium of 12 months; total repayment period extended up to 36 months (inclusive of moratorium)
- Severely affected blocks (89 taluks): Moratorium of 12 months; total repayment period extended up to 60 months (inclusive of moratorium)
- The same measures shall apply to term loans as well.
- Relief shall not to be restricted to postponement of existing dues — banks may also extend fresh, need-based additional finance to eligible borrowers to enable continuation of productive activities (crop cultivation, allied activities, working capital, inputs, repair/restoration of productive assets, etc.), based on Board-approved policies of the banks and case-by-case viability/cash-flow assessment.

2.4 Loan Categories Covered

- Agricultural short-term loans, primarily Kisan Credit Card (KCC) — covering crop production (including horticulture and sericulture), animal husbandry and fisheries.
- Agricultural term loans for any production or developmental farm activity, including dairy, sheep/goat rearing and other allied activities.
- Agro-processing and food-processing units predominantly dependent on agricultural produce and whose repayment capacity has been adversely affected by the drought, may also be considered for suitable resolution measure including conversion of an appropriate portion of existing working capital outstanding into working capital term loan (WCTL) based on the viability and cash flow assessment. However this resolution is left to the discretion of the individual banks based on their Board-approved policy.
- Other loans that are predominantly dependent on agriculture for inputs or cash flows, or otherwise adversely affected by drought may also be extended similar relief based on the policies of the banks and extant RBI guidelines.
- **2.5 Implementation and Monitoring**
- Member banks may immediately identify eligible accounts in the notified drought-affected talukas and implement the resolution plan suo-moto, without waiting for the borrower to approach the bank. In such cases of deemed invocation of the relief measure, the banks should communicate the same to the borrowers and shall also make available the option for the borrower to opt out of the resolution plan as per the extant regulatory guidelines. Banks to maintain proper records of accounts covered and relief extended.

- Lead District Managers (LDMs) to monitor district-level implementation; unresolved issues to be escalated first to the District Consultative Committee (DCC) and, if still unresolved, to SLBC.
- SLBC to consolidate implementation status and place periodic progress reports before the SLBC forums.
- Wide publicity of the relief measures to be done by SLBC, DCC and member banks through bank branches, websites, banners brochures and field-level awareness programmes.

All member banks to follow RBI's master circulars/directions and the specific SOP issued for natural-calamity relief measures.

2.6 Key Timelines

Milestone	Date / Timeline
Drought declared	27.08.2026
Official notification received at SLBC	31.08.2026
Special SLBC meeting (15-day RBI mandate)	Held on 10.09.2026
Upload of calamity notification & minutes on CIMS portal	By 26.09.2026
Invocation of resolution plan	Within 45 days of declaration (by ~11.10.2026);
Full implementation of relief measures	Within 135 days of declaration (by 09.01.2027)
Periodic review	Half-yearly, as on 30th September and 30th March
Reporting requirements by RE	REs shall upload the data on relief measures on a half-yearly basis within 30 days from the end of the half-year (September 30th and March 31st of every year) on the CIMS portal. In case no relief measures are extended, a 'NIL' statement to be uploaded.

Coverage: 101 taluks across 24 districts (covering approximately 19 lakh hectares, and 30 lakh farmers), with further expectation of 30–40 taluks to be notified in the near term. It was resolved that the same relief framework will apply automatically to any subsequently notified taluks (with dates reckoned from their respective declaration dates), without the need to convene a fresh Special SLBC meeting.

3. Discussion Highlights

3.1 RBI's Observations

The Regional Director (RD), RBI, confirmed the 45-day invocation timeline and noted that a further 30-day extension is available with the Regional Director's approval in exceptional cases, where banks face genuine delays in completing invocation formalities. RBI advised all banks to strictly follow the applicable Master Circulars, Directions and SOP for calamity-related relief measures.

3.2 Drought Situation and Crop Insurance Update

The Secretary, Agriculture reported that the Government has already assessed input-subsidy requirements at approximately ₹1,419 crore for small and marginal farmers and ₹293.97 crore for other farmers, and noted that field conditions remain grim despite scattered rainfall in parts of the State.

3.3 Cooperative Sector

RD, RBI noted that the relief measures recommended by this forum are applicable to the Rural Co-operative Banks covered under Reserve Bank of India (Rural Co-operative Banks- Resolution of Stressed Assets) Directions, 2025 (updated as on July 01, 2026)., and asked NABARD to take note.

3.4 Applicability to NBFCs and MFIs

RD, RBI confirmed that the relief measures recommended by this forum is applicable to NBFCs under Reserve Bank of India (Non-Banking Financial Companies- Resolution of Stressed Assets) Directions, 2025 (updated as on July 01, 2026) subject to stipulations given in the said directions and that once this SLBC resolution is passed, the SLBC Convener is required to share it with all RBI-regulated entities operating in Karnataka to which this resolution is applicable, (including via the relevant Self-Regulatory Organisation) for implementation to their borrowers.

3.5 Directive Against Harsh Recovery Measures

The Chairperson gave a strong directive that this is not a year for harsh recovery measures or for creating panic among farmers. Banks were directed to ensure immediate redressal of any recovery-related complaints, to consult with the district administration/SLBC before taking recovery action, and to ensure farmers are not pushed towards informal moneylenders or unregulated microfinance. Proper training was directed to be imparted to all field functionaries on following the guidelines with empathy. RD, RBI informed that RBI has issued comprehensive directions for responsible business conduct by all its regulated entities, including banks, which mandates them not to engage in harsh methods towards recovery and advised the member banks to ensure strict compliance to the regulatory directions applicable to them.

3.6 Publicity and Follow-up Coordination

It was agreed that a Video Conference would be organised (tentatively the following week) with all District Collectors (DCs), CEOs of Zilla Panchayats and LDMs, with the Secretary, Disaster Management and Secretary, Agriculture, Horticulture & Animal Husbandry also to participate, to ensure wide dissemination of the relief measures to farmers. SLBC was requested to prepare a brief presentation/SOP, including guidance on handling any complaints of harsh recovery, for this Video Conference.

It was also agreed that the same relief framework will be extended automatically to any further taluks subsequently notified as drought-affected (with timelines reckoned from the respective declaration dates), without the need for a fresh Special SLBC meeting; a review meeting will, however, be convened after the next round of notifications to assess compliance and any field-level issues.

4. Resolutions

- Only 'standard' accounts — i.e., accounts not overdue for more than 30 days — as on the date of declaration of drought (27.08.2026) are eligible for the relief package. The relief framework as presented in para 2.3 and 2.4 stands recommended by SLBC for adoption by all member banks, in line with their respective Board-approved policies.
- Categories of loans as mentioned in para 2.4
- Banks may, at their discretion and subject to their internal policies, consider extending the relief measures decided in this meeting to those loan accounts which are not eligible, without extending the asset classification benefit.
- The resolution passed will be shared by the SLBC Convener with all RBI-regulated entities (including NBFCs, MFIs and UCBs) operating in Karnataka for implementation.
- No harsh recovery measures are to be undertaken by any bank during this period; RBI's existing conduct-of-business instructions are to be strictly complied with.
- The relief framework will apply automatically, with dates adjusted, to any taluks notified as drought-affected in subsequent notifications, without requiring a fresh Special SLBC meeting;

5. Action Taken Points

The following action points emerge from the discussion, organised by responsible stakeholder group.

5.1 Action Points — Banks (Commercial and Cooperative)

Sr.No	Action Point	Responsibility	Timeline
1	Identify eligible standard accounts (not overdue beyond 30 days as on 27.08.2026) suo-moto in all notified drought-affected taluks and extend relief measures without waiting for borrowers to approach the bank.	REs	Invocation within 45 days of declaration (by 11.10.2026);
2	Implement the sector-wise resolution plan: moratorium of 12 months + repayment extension up to 36 months (moderately affected blocks) / up to 60 months (severely affected blocks), inclusive of moratorium, for short-term and term agriculture and allied-activity loans.	REs	Implementation to be completed within 135 days of declaration (by 09.01.2027)
3	Extend fresh need-based additional finance to eligible affected borrowers for continuation of productive activities (crop cultivation, allied activities, working capital, inputs, repair/restoration of assets), conversion of working capital into WCTL, based on Board-approved policy and viability assessment	REs	Implementation to be completed within 135 days of declaration (by 09.01.2027)
4	Factor insurance claim proceeds into the resolution plan without waiting for actual claim settlement, to avoid delaying relief to borrowers.	REs	Immediate
6	Review own Board-approved relief policy against RBI's broad guidelines and the relief measures decided in this meeting; banks with policies with stricter termsare advised to revise them	REs	Immediate, on receipt of minutes
7	No harsh recovery measures for this year; ensure any complaint on recovery conduct gets immediate redressal; consult district administration/SLBC before recovery action in affected areas.	REs	With immediate effect

Sr.No	Action Point	Responsibility	Timeline
8	Maintain proper records of accounts covered and relief granted; report implementation status regularly to LDM / DCC, and escalate unresolved field issues to DCC and, if needed, to SLBC.	REs / LDMs	Ongoing (periodic reporting to DCC/SLBC)
9	Give wide publicity to the relief measures through branches, bank websites, banners and brochures.	All Member Banks	Immediate

6. Closing Remarks

The Chairperson thanked the SLBC Convener, RBI and NABARD for convening the meeting at short notice, noting that it was also fitting that the meeting was held on the day the Hon'ble Chief Minister announced further measures to support farmers. She reiterated the need for a united, empathetic and speedy response from all banks, and requested the SLBC Convener and RBI to finalise the minutes of the meeting along with all inputs and required attachments at the earliest. She further directed that a follow-up Video Conference with DCs and CEOs be organised the following week, with participation from the Secretary, Disaster Management and the Secretary, Agriculture, Horticulture & Animal Husbandry, to ensure farmers are made aware of the benefits under this relief package.

The meeting concluded with a vote of thanks to the Chairperson, RBI, NABARD and all member bank representatives, with a request for full compliance with the directions issued.

(Shri. Shreenath Joshi)
General Manager and Convenor
SLBC Karnataka

Uma Mahadevan

(Smt. Uma Mahadevan)
The Additional Chief Secretary and Development Commissioner
Govt. of Karnataka

Internal

LIST OF PARTICIPANTS

Sl. No.	Name Shriyuths -	Designation	Organization
1	Smt. Uma Mahadevan	Additional Chief Secretary and Development Commissioner	Govt of Karnataka
2	Smt. Kaya Tripathi	Regional Director	RBI
3	Dr. Vishal R	Secretary to Govt. FD (Fiscal Reforms)	Govt of Karnataka
4	Captain. Dr. K Rajendra	Secretary, Agriculture	Govt of Karnataka
5	Shri.Manoj Kumar Meena	Relief Commissioner	Govt of Karnataka
6	Shri. V V Jyothsna	MD, NRLM	Govt of Karnataka
7	Dr. Ashutosh	General Manager	NABARD
8	Shri. Sunil Kumar Yadav	Chief General Manager	Canara Bank
9	Shri Shreeneth Joshi	Convenor	SLBC-Karnataka
10	Shri.Gundu Shetty	Cluster Head	HDFC Bank
11	Shri. Vikas Vashista	Deputy General Manager	State Bank of India
12	Smt, Bagyarekha	Deputy General Manager	Canara Bank
13	Shri.H G Aravind	Deputy General Manager	Union Bank of India
14	Udayan	Assistant General Manager	NABARD
15	Sanjiva	Assistant General Manager	Karnataka Bank
16	Prashanth Kumar M K	Assistant General Manager	ICICI Bank
17	V Maruthi	Assistant General Manager	Union Bank of India
18	Chandrashekar Suresh D	Assistant General Manager	State Bank of India
19	Other Participants through VC		

References and Enclosures:

1. **Drought Notification by Govt of Karnataka dated 27.08.2026.**
2. **RBI Master Directions on (as updated from time to time)**

i. Resolution of Stressed Assets Directions, 2025;

ii. Income Recognition, Asset Classification and Provisioning Directions, 2025;

iii. Credit Risk Management Directions, 2025; and

iv. Responsible Business Conduct Directions, 2025.