SIDBI organizes a conclave of the Heads of Regional Rural Banks (RRBs) on expanding SIDBI-RRB MSME Co-Lending arrangement

Secretary, DFS highlights the need to scale up MSME lending by leveraging SIDBI's expertise and RRBs' extensive rural outreach

Conclave emphasises the role of RRBs in supporting India's next-generation manufacturing ecosystem and enhancing financial awareness among MSMEs

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The Small Industries Development Bank of India (SIDBI) organized a conclave of the Heads of Regional Rural Banks on expanding the SIDBI-RRB MSME Co-Lending arrangement on 25th August 2026 in New Delhi. The Conclave chaired by Shri Sanjay Lohiya, Secretary, Department of Financial Services was attended by Shri Manoj Mittal, CMD, SIDBI; senior officials from DFS, SIDBI and NABARD; and Chairmen of all 28 Regional Rural Banks.

During the Conclave, Secretary, DFS, emphasized the importance of scaling up MSME lending in rural and semi-urban areas. The proposed arrangement synergizes the strengths of SIDBI, which understands the credit needs of MSMEs, and RRBs, which have an excellent reach across the smaller towns and villages of the country. RRBs will also be able to achieve their goal of diversifying their loan portfolios by focusing on MSME lending, and rule engine-based underwriting is also expected to help them maintain good asset quality.

Additional Secretary, DFS, while addressing the conclave, indicated the importance of MSME cluster data for a focused approach to reaching out to a large number of MSMEs. RRBs should contribute towards making the country a next-generation manufacturing hub and also take an active part in Rozgar Melas conducted by state governments to disseminate financial awareness among MSMEs. Joint Secretary, DFS, suggested that RRBs make MSME lending through this Co-Lending arrangement an important target for branches. CMD, SIDBI, also urged the RRBs to come forward and make the arrangement a success.

The Co-Lending Origination Platform developed by SIDBI is an end-to-end digital platform providing a faster and paperless credit journey, resulting in the quick sanction and disbursement of loans. Loan applicants will be informed of their in-principle sanctions within a very short turnaround time once all the details are provided through the application portal. The digital documentation and disbursement process also ensure that customers receive loan disbursements directly into their accounts without the need to visit branches at any stage of the process. With encouraging outcomes from the pilot implementation at three

RRBs, the proposed expansion of this Co-Lending programme to more RRBs is expected to significantly address the credit needs of borrowers, especially in the Micro and Small segments, in rural and semi-urban areas.

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