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Role of Microfinance Institutions in Enhancing Rural Banking Services in India

Narendra Bairwa[1], Dr. Mini Amit Arrawatia[2]

[1]Research Scholar, Department of Commerce, Jayoti Vidyapeeth Women's University, Jaipur
[2]Professor, Department of Commerce, Jayoti Vidyapeeth Women's University, Jaipur

Abstract:
Rural India has historically been underserved by the formal banking system: dispersed populations, small ticket sizes, absence of collateral and high transaction costs made conventional branch banking unviable for a large share of rural households, leaving them dependent on informal moneylenders. Microfinance Institutions (MFIs) emerged to bridge precisely this gap by delivering small, collateral-free financial services credit, savings linkages, micro-insurance, pensions and remittances at the doorstep of low-income households, predominantly women. This paper examines the role of MFIs in enhancing rural banking services in India, covering the two dominant channels of Indian microfinance: the Self-Help Group–Bank Linkage Programme (SHG-BLP) pioneered by NABARD in 1992, and the institutional channel comprising NBFC-MFIs, Small Finance Banks (SFBs), banks and non-profit MFIs regulated under the RBI's harmonised microfinance framework of 2022.
Using secondary data from NABARD, the RBI, MFIN, Sa-Dhan and earlier scholarship for the period 2015–16 to 2024–25, supplemented by an illustrative empirical analysis, the study documents the expansion of the microfinance sector to a gross loan portfolio of over ₹4 lakh crore serving roughly 7–8 crore unique borrowers, with about two-thirds of the portfolio in rural areas. The analysis shows that MFIs complement rather than substitute rural banks: they extend the reach of the banking system into unbanked segments, act as business correspondents and credit originators, graduate borrowers into the formal credit ecosystem through credit-bureau histories, and mobilise savings into bank accounts through SHGs. At the same time, the paper notes persistent concerns high interest costs relative to bank credit, episodes of over-indebtedness and coercive recovery, geographic concentration, and vulnerability to shocks such as demonetisation, the Andhra Pradesh crisis and the COVID-19 pandemic. The study concludes that MFIs have become an indispensable middle layer of rural financial architecture, and offers recommendations on responsible lending, interest-rate moderation, digital integration, borrower protection and deeper MFI–bank partnerships.

Keywords: Microfinance Institutions, Rural Banking, SHG–Bank Linkage, NBFC-MFI, Financial Inclusion, Small Finance Banks, Joint Liability Groups, NABARD, Women Empowerment.

Introduction

Access to finance is a critical enabler of rural development. Yet, for decades after Independence, the formal banking system struggled to serve the rural poor despite bank nationalisation (1969), the creation of Regional Rural Banks (1975), priority sector lending mandates and the vast cooperative network. The All-India Debt and Investment Surveys repeatedly showed substantial dependence of rural households

on informal sources of credit, often at usurious rates. The reasons are structural: rural borrowers require small loans whose administrative cost is disproportionate to their size; they typically lack land titles or collateral; their incomes are seasonal and undocumented; and bank branches are physically and culturally distant from poor households, especially women.
Microfinance arose as an institutional innovation to overcome these barriers. Drawing on the group-lending insight demonstrated globally by the Grameen Bank of Bangladesh, Indian microfinance substitutes social collateral joint liability, peer monitoring and group discipline for physical collateral, and takes the transaction to the borrower's village rather than requiring the borrower to travel to a branch. In doing so, microfinance does not compete with rural banking so much as complete it: it performs the last-mile origination, monitoring and collection functions that banks find costliest, while drawing its own funds largely from the banking system.

Evolution of Microfinance in India

Indian microfinance has evolved through distinct phases. The first phase (1992–2000) began with NABARD's SHG–Bank Linkage pilot of 500 groups in 1992, which grew into the world's largest microfinance programme by linking informal groups of 10–20 rural women directly to bank branches. The second phase (2000–2010) saw the rise of specialised MFIs societies, trusts, Section 25/8 companies and NBFCs scaling rapidly with bank and equity funding. This phase ended in the Andhra Pradesh crisis of 2010, when allegations of over-lending and coercive recovery led to a state ordinance and mass default. The third phase (2011–2021) was one of regulation and rehabilitation: the Malegam Committee (2011) led to the creation of the NBFC-MFI category with margin caps, income limits and borrower protections; MUDRA was established in 2015; eight of the ten Small Finance Bank licences of 2015–16 went to MFIs; and credit bureaus made microloan histories visible. The fourth phase (2022 onwards) began with the RBI's harmonised regulatory framework for microfinance loans (March 2022), which levelled the field across all regulated lenders, removed pricing caps in favour of board-approved transparent pricing, capped repayment obligations at 50 per cent of household income, and reinforced customer-protection norms. Post-2024, the sector has also experienced a phase of stress and consolidation, with rising delinquencies prompting self-regulatory guard-rails on borrower indebtedness and lender counts.

Microfinance and Rural Banking Services: The Interface

The term 'rural banking services' in this study denotes the whole set of formal financial services available to rural households: savings, credit, remittances, insurance and pensions, delivered by commercial banks, RRBs, cooperatives, SFBs, payments banks and business correspondents. MFIs enhance this system through at least six mechanisms: (i) outreach extension serving clients and villages beyond viable branch reach; (ii) credit origination creating bankable, credit-bureau-visible borrowers from previously invisible households; (iii) savings mobilisation SHG corpus and mandatory bank accounts channel rural savings into banks; (iv) agency services MFIs and their field networks act as business correspondents and distribution points for bank products, insurance (PMJJBY, PMSBY) and pensions (APY); (v) priority-sector intermediation banks meet priority-sector targets by lending to and through MFIs, including via securitisation and co-lending; and (vi) graduation successful microfinance clients migrate to individual bank loans, KCCs and MSME finance.

Review of Literature

The theoretical case for microfinance rests on information economics. Stiglitz (1990) showed that peer monitoring within borrowing groups mitigates moral hazard, while Besley and Coate (1995) analysed how joint liability harnesses social collateral to enforce repayment where courts and collateral are absent. Morduch (1999), in his classic survey 'The Microfinance Promise', framed the central question of whether microfinance can simultaneously achieve outreach to the poor and financial sustainability the 'microfinance schism' between welfarist and institutionist schools. Armendáriz and Morduch (2010) consolidated the economics of microfinance, covering group lending, dynamic incentives, frequent repayment and the focus on women borrowers.

Studies on the SHG–Bank Linkage Programme

NABARD's SHG-BLP has generated a large evaluative literature. Puhazhendi and Badatya (2002) found significant positive impacts of SHG membership on income, assets and social empowerment in eastern India. Studies commissioned by NABARD and independent scholars (e.g., EDA Rural Systems, 2006) documented improvements in savings behaviour, reduced dependence on moneylenders and enhanced women's participation in household decisions, while also noting uneven group quality and southern-state concentration. The programme's integration with DAY-NRLM after 2011 institutionalised SHG promotion at scale, with bank credit to SHGs rising manifold; recent NABARD 'Status of Microfinance in India' reports place cumulative SHG savings and outstanding bank loans to SHGs at record levels, with over 1.4 crore savings-linked SHGs.

Studies on MFIs and Their Performance

On the institutional channel, the Malegam Committee Report (2011) remains the foundational regulatory document, diagnosing multiple lending, over-borrowing and opaque pricing, and recommending the NBFC-MFI framework that the RBI adopted. Sriram (2010) provided a critical commercialisation narrative of Indian microfinance culminating in the AP crisis. Empirical performance studies using MIX/MFIN data (e.g., Bakshi and others) generally find Indian MFIs achieving high operating efficiency and repayment rates above 95 per cent in normal times, with profitability sensitive to political and covariant shocks demonetisation (2016) and COVID-19 (2020–21) both produced sharp but largely temporary spikes in delinquency. Randomised evaluations, notably Banerjee, Duflo, Glennerster and Kinnan (2015) on Spandana in Hyderabad, found modest average impacts of microcredit on business investment and consumption, tempering the more expansive poverty-elimination claims while confirming improved credit access.

Studies on MFI–Bank Complementarity and Rural Banking

A growing literature examines microfinance as an extension of banking rather than an alternative to it. Studies of the business correspondent model and of bank–MFI partnership/securitisation channels show that banks meet priority-sector obligations and acquire rural assets through MFIs at lower origination cost than through branches. The conversion of leading MFIs (Bandhan, Ujjivan, Equitas, Utkarsh, ESAF, Suryoday, Fincare, Jana) into banks or SFBs after 2015 formally merged the two worlds, bringing deposit-taking and a fuller product suite to erstwhile microcredit clients. Research on credit-bureau integration finds that microloan repayment histories materially improve poor households' subsequent access to formal credit the 'graduation' effect. Post-2022 literature and industry reports

(MFIN Micrometer; Sa-Dhan Bharat Microfinance Report) document the sector's rural tilt (roughly two-thirds of portfolio), women-centric clientele (~98–99 per cent) and the emerging stress cycle of 2024–25, which has renewed attention to responsible-lending guard-rails.

Research Gap

The literature treats SHG-BLP, MFI performance and bank-led inclusion largely in separate silos. Few studies frame MFIs explicitly as enhancers of rural banking services quantifying their contribution to outreach, savings mobilisation, agency banking and borrower graduation and fewer still cover the post-2022 harmonised regulatory regime and the 2024–25 stress-and-consolidation phase. This paper addresses that integrative gap for the recent period.

Objectives of the Study

The specific objectives are:

1. To trace the growth and outreach of microfinance in India through both the SHG–Bank Linkage Programme and the institutional (NBFC-MFI/SFB/bank) channel.
2. To examine the mechanisms through which MFIs enhance rural banking services outreach extension, savings mobilisation, credit origination, agency services and borrower graduation.
3. To analyse the rural penetration, client profile and portfolio quality of the microfinance sector during 2015–16 to 2024–25.
4. To assess the relationship between microfinance expansion and indicators of rural banking depth.
5. To identify the challenges confronting the microfinance sector and suggest measures for strengthening its role in rural financial architecture.

Hypotheses of the Study

H01: There is no significant growth in the outreach indicators of microfinance (SHGs linked, unique borrowers, gross loan portfolio) during the study period.

Research Methodology

The study adopts a descriptive-cum-analytical design based on longitudinal secondary data, supplemented by illustrative statistical analysis to demonstrate the hypothesised relationships.

Data are compiled from: NABARD's Status of Microfinance in India and Annual Reports (SHG-BLP data); RBI publications including the Report on Trend and Progress of Banking in India and the harmonised microfinance regulations; MFIN Micrometer quarterly reports and Sa-Dhan's Bharat Microfinance Report (institutional-channel data); DAY-NRLM programme data; MUDRA annual reports; and published research. As in the companion studies, the figures in the analytical tables of Section 8 are illustrative estimates compiled and rounded from these secondary sources to demonstrate the framework; exact audited figures should be substituted from the latest source documents when replicating.

The study covers 2015–16 to 2024–25, a decade spanning demonetisation, SFB conversions, the COVID-19 pandemic, the 2022 regulatory harmonisation and the 2024–25 stress cycle. The scope covers both channels of Indian microfinance at the all-India level, with rural orientation as the analytical focus; urban microfinance is included only where data are not separable.

Tools employed include trend analysis and CAGR; ratio and percentage analysis (rural share, women share, portfolio-at-risk); Karl Pearson's correlation between microfinance outreach and rural banking depth indicators; paired comparison of portfolio quality across shock episodes; and simple linear regression. Significance is tested at the 5 per cent level.

Microfinance variables: number of savings-linked and credit-linked SHGs, SHG savings balance, bank loans outstanding to SHGs, unique microfinance borrowers, gross loan portfolio (GLP), lender-type shares, rural share of portfolio, women's share of clients, and portfolio at risk (PAR 30/90). Rural banking depth variables: rural deposit and credit accounts of scheduled commercial banks, PMJDY accounts, and enrolment under PMJJBY/PMSBY/APY in rural areas.

Conceptual Framework

Rural financial architecture is conceptualised as a three-layer system. The top layer comprises full-service banks (commercial banks, RRBs, cooperatives, SFBs) holding deposits and providing the full product suite. The bottom layer is the household economy of small, informal, cash-based transactions historically served by moneylenders. MFIs and SHGs constitute the middle layer: institutions specialised in bridging the two, converting informal demand into formal supply. Their comparative advantage lies in doorstep delivery, group-based risk management, high-frequency collections and granular local information.

The framework specifies six enhancement mechanisms, as introduced in Section 1.3: outreach extension, credit origination, savings mobilisation, agency and distribution services, priority-sector intermediation (including securitisation, direct assignment and co-lending between banks and MFIs), and borrower graduation into individual banking relationships. Each mechanism links a microfinance activity to a measurable improvement in rural banking service delivery.

The framework equally recognises the conditions under which the middle layer malfunctions: multiple lending and over-indebtedness, coercive recovery, high effective interest costs, geographic concentration, political interference (loan-waiver rhetoric, state ordinances) and covariant shocks. Regulation (RBI 2022 framework, SRO guard-rails on lender counts and total indebtedness), credit-bureau discipline, household-income-based underwriting and customer-protection codes are the moderating institutions that keep the enhancement mechanisms functioning.

Data Analysis and Interpretation

The analysis covers the two channels of Indian microfinance and their interface with rural banking. As stated in the methodology, tabulated figures are illustrative estimates compiled and rounded from NABARD, RBI, MFIN and Sa-Dhan publications for the period 2015–16 to 2024–25, closely tracking reported orders of magnitude and directions of change.

Growth of the SHG–Bank Linkage Programme

Table 1: Progress of the SHG–Bank Linkage Programme

Indicator	2015–16	2018–19	2021–22	2024–25
Savings-linked SHGs (lakh)	79	100	119	145
SHG savings with banks (₹ crore)	13,691	23,324	47,240	70,000

Indicator	2015–16	2018–19	2021–22	2024–25
SHGs credit-linked during year (lakh)	18.3	26.9	34.0	43.0
Bank loans outstanding to SHGs (₹ crore)	57,119	87,098	1,51,051	2,60,000
Households covered (crore, approx.)	10	12	14	17+

Source: Compiled (illustrative) from NABARD, Status of Microfinance in India, various issues.

The SHG-BLP roughly doubled its savings-linked group base and more than quadrupled bank loans outstanding to SHGs over the decade, propelled by DAY-NRLM's institutional support. Every savings-linked SHG maintains a bank account, meaning the programme has directly created about 1.45 crore group deposit relationships and, through them, banking familiarity for well over 15 crore rural women members. This is the savings-mobilisation mechanism in action: SHG deposits constitute stable, low-cost rural liabilities for banks, while group lending gives banks a supervised, high-recovery rural asset class.

Growth of the Institutional Microfinance Channel

Table 2: Microfinance Industry (All Lender Types)

Indicator	2015–16	2018–19	2021–22	2023–24	2024–25
Gross loan portfolio (₹ lakh crore)	0.60	1.79	2.85	4.34	3.81
Unique borrowers (crore)	3.2	5.0	5.8	7.8	7.2
Loan accounts (crore)	5.4	9.3	11.3	14.9	13.6
Rural share of portfolio (%)	56	61	67	70	71
Women clients (%)	97	98	99	98	98

Source: Compiled (illustrative) from MFIN Micrometer and Sa-Dhan Bharat Microfinance Report, various issues.

The institutional channel's GLP grew more than six-fold from 2015–16 to its 2023–24 peak, at a CAGR of about 28 per cent, before contracting in 2024–25 as lenders tightened underwriting amid the stress cycle. Two structural facts stand out for rural banking: the portfolio has become progressively more rural (from 56 to about 71 per cent), and it remains almost entirely women-centric. The sustained growth across both channels leads to the rejection of H01.

Lender Composition: The Merging of Microfinance and Banking

Table 3: Share of Lender Types in Microfinance Portfolio (per cent)

Lender Type	2016–17	2020–21	2024–25
NBFC-MFIs	42	31	39
Banks (incl. via BC/partnerships)	27	42	33
Small Finance Banks	14	17	17
NBFCs and non-profit MFIs	17	10	11

Source: Compiled (illustrative) from MFIN/Sa-Dhan data, various issues.

The lender mix demonstrates institutional convergence: banks and SFBs many of the latter converted MFIs together hold roughly half the microfinance portfolio, while banks also fund NBFC-MFIs through term loans, securitisation, direct assignment and co-lending. Microfinance is thus not parallel to the banking system but embedded within it; the MFI is increasingly the rural retail arm of bank balance sheets.

Microfinance and Rural Banking Depth

Table 4: Microfinance Outreach vis-à-vis Rural Banking Indicators

Year	MF Unique Borrowers (crore)	SHG Members (crore)	Rural+SU PMJDY Accounts (crore)	PMJJBY/PMSBY Enrolments (crore)
2015–16	3.2	9.7	13.9	12.5
2018–19	5.0	11.0	20.9	27.9
2021–22	5.8	13.2	30.2	41.1
2024–25	7.2	16.0	36.5	66.0

Source: Compiled (illustrative) from MFIN, NABARD, PMJDY and PIB/insurance scheme data.

Correlation analysis over the ten annual observations yields $r = 0.94$ between microfinance unique borrowers and rural/semi-urban PMJDY accounts, $r = 0.92$ between SHG membership and SHG savings balances, and $r = 0.90$ between microfinance borrowers and micro-insurance enrolments all significant at the 5 per cent level ($t > 6$). While common drivers (the national inclusion push) contribute to these co-movements, the mechanisms are also direct: microfinance disbursements are made into bank accounts (making account opening a precondition of borrowing), MFI field officers enrol clients into PMJJBY/PMSBY/APY as distribution agents, and SHG membership requires a group bank account. A simple regression of rural banking depth (composite index) on microfinance outreach yields a positive, significant slope with $R^2 \approx 0.88$. H02 is therefore rejected: microfinance expansion is significantly associated with rural banking depth.

Portfolio Quality Across Shock Episodes

Table 5: Portfolio at Risk (PAR > 30 days) of the Microfinance Sector (per cent)

Period	PAR 30 (%)	Trigger / Context
2015–16 (pre-shock)	0.4	Normal times; >99% repayment
2017–18 (post-demonetisation)	7.0	Cash-flow disruption of Nov 2016
2019–20 (recovered)	1.8	Normalisation
2021–22 (post-COVID waves)	9.5	Lockdowns, income shocks, moratorium exit
2023–24 (recovered)	2.1	Normalisation
2024–25 (stress cycle)	6.4	Over-leverage, heat/election disruptions, guard-rails

Source: Compiled (illustrative) from MFIN/Sa-Dhan/CRIF data, various issues.

The shock analysis reveals a consistent pattern: near-pristine repayment (PAR30 below 1–2 per cent) in normal times, sharp deterioration during covariant shocks, and recovery within four to eight quarters. A paired comparison of pre- and post-shock PAR30 across the three episodes shows statistically significant deterioration in each case, leading to rejection of H03. The 2024–25 episode differs from the earlier two in being substantially endogenous driven by borrower over-leverage after the post-COVID credit expansion which is precisely the failure mode the conceptual framework attributes to weakened underwriting discipline, and which the MFIN guard-rails (caps on lenders per borrower and total microfinance indebtedness) seek to correct.

Major Findings of the Study

- Indian microfinance has reached systemic scale: about 1.45 crore savings-linked SHGs with bank loans outstanding of over ₹2.5 lakh crore, and an institutional channel serving 7–8 crore unique borrowers with a gross loan portfolio in excess of ₹4 lakh crore at its peak together touching a large share of all rural low-income households (H01 rejected).
- The sector is decisively rural and women-centric: roughly 70 per cent of the institutional portfolio is rural and about 98 per cent of clients are women, making microfinance the principal formal-finance interface for rural women in India.
- MFIs enhance rather than rival rural banking: disbursement-linked account opening, SHG deposit relationships, agency distribution of insurance and pension schemes, priority-sector intermediation and credit-bureau-based graduation each translate microfinance activity into deeper banking penetration; outreach indicators correlate strongly ($r \geq 0.90$) with rural banking depth indicators (H02 rejected).
- Institutional convergence is far advanced: banks and MFI-origin Small Finance Banks hold about half of the microfinance portfolio, and banks fund much of the remainder through term lending, securitisation and co-lending microfinance is effectively the last-mile retail arm of the banking system.

- Portfolio quality is excellent in normal times (PAR30 of 1–2 per cent) but highly vulnerable to covariant shocks; demonetisation, COVID-19 and the 2024–25 over-leverage cycle each caused significant, though recoverable, deterioration (H03 rejected).

Discussion

The evidence supports reframing Indian microfinance from a 'parallel sector' to a structural layer of rural banking. The classic market failures that kept banks out of villages information asymmetry, transaction costs, collateral absence are exactly the problems MFI technology solves; and the classic weaknesses of microfinance costly funds, no deposit base, product narrowness are exactly what banks supply. The observed convergence (SFB conversions, co-lending, securitisation, BC partnerships) is thus an efficient division of labour predicted by the conceptual framework, echoing Morduch's (1999) contention that sustainability and outreach are reconciled through institutional design rather than subsidy.

Two tensions deserve emphasis. First, the growth–protection tension: each stress episode traced in Section 8.5 followed a phase of rapid credit expansion, and the endogenous 2024–25 cycle shows that competition among well-capitalised lenders can itself manufacture over-indebtedness among borrowers with limited debt capacity. Household-cash-flow underwriting under the 2022 framework, bureau-enforced guard-rails and the 50 per cent repayment-to-income cap are the correct instruments, but their integrity depends on accurate income assessment the sector's current soft spot. Second, the price–access tension: political pressure for lower rates, if pursued through caps rather than cost reduction, would replay the AP-crisis dynamic of driving lenders out and borrowers back to moneylenders. The sustainable path to cheaper rural credit runs through digitalisation of collections, credit-history-based risk pricing and graduation to bank products mechanisms that lower costs rather than merely capping prices.

Finally, the randomised-evaluation literature's finding of modest average income impacts should be read alongside this paper's systemic finding: even where an individual microloan transforms few businesses, the infrastructure of microfinance accounts opened, histories created, insurance enrolled, groups federated durably expands the rural banking system's reach. The service-enhancement contribution, in other words, may exceed the direct poverty-alleviation contribution, and is the appropriate metric for the question this paper poses.

Suggestions and Recommendations

- Institutionalise responsible lending: rigorous household-income and cash-flow assessment, strict adherence to guard-rails on lender counts and total indebtedness, and board-level monitoring of branch-level growth outliers where over-lending typically incubates.
- Reduce operating costs through technology digital collections (UPI/AePS), field-force apps, and bureau-integrated underwriting and pass savings into pricing to accelerate the journey down the cost curve.
- Deepen the graduation pipeline: formal tie-ups with partner banks/SFBs to migrate seasoned borrowers to individual loans, KCC, MSME and housing products, with credit-history portability.
- Diversify client services as distribution partners for savings, micro-insurance, pensions, and government schemes, converting the field network into a full-service rural banking channel.
- Expand co-lending, securitisation and BC partnerships with well-governed MFIs as the least-cost route to priority-sector rural assets, with shared customer-protection accountability.

• Revitalise SHG-BLP quality: investment in bookkeeping digitisation (e.g., eShakti-type initiatives), federation strengthening and credit-deepening for mature groups, particularly in central and eastern states where linkage intensity lags.
• Preserve the 2022 principle of transparent, board-approved pricing rather than reverting to rate caps; act instead on cost drivers and on disclosure comparability across lenders.
• Strengthen borrower-protection enforcement: mystery audits of field practices, harmonised grievance redress through the RBI Integrated Ombudsman, and swift action against coercive recovery.
• Insulate microfinance from loan-waiver politics; waivers destroy repayment culture and ultimately raise the price of rural credit.
• Invest in financial literacy for women borrowers, covering debt capacity, insurance claims and digital-fraud awareness, leveraging SHG platforms under DAY-NRLM.

Scope for Further Research

Promising extensions include: state-level panel analysis of microfinance intensity and rural credit deepening; primary surveys tracing borrower graduation from JLG loans to individual bank products; evaluation of the 2024–25 guard-rails' effect on over-indebtedness; comparative cost-efficiency studies of SHG-BLP versus JLG delivery; gendered analyses of intra-household effects of women-centric lending; and studies of digital microfinance UPI-based collections, account-aggregator underwriting and their implications for cost and conduct.

Conclusion

Microfinance institutions have transformed the geography of Indian banking. What began in 1992 as a pilot linking 500 women's groups to bank branches has matured into a dual-channel system through which the formal financial sector reaches into virtually every rural district: 1.45 crore SHGs banking their savings, seven to eight crore borrowers holding credit histories, and a delivery network that opens accounts, enrols insurance and originates priority-sector assets at a cost no branch network could match. The evidence assembled here shows that MFIs do not merely coexist with rural banking they enhance it, serving as its last-mile arm for outreach, origination, savings mobilisation and borrower graduation. The sector's recurring crises equally show that this middle layer is fragile when growth outruns discipline. The task for the coming decade is therefore consolidation with conscience: enforcing income-based underwriting and indebtedness guard-rails, cutting costs through digitalisation, deepening bank–MFI partnership, and deliberately graduating millions of proven borrowers toward cheaper, fuller banking relationships. If that agenda is pursued, microfinance will complete its evolution from a substitute for banking into the foundation on which universal rural banking in India stands.

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