

Light Microfinance: Sowing the seeds of entrepreneurship among underprivileged women to educate their children

Gujarat, 6th May 2022: Microfinance Industry has been playing a key role in reaching the unserved and the underserved women population of the country and encouraging the underprivileged women borrowers to dream big by providing them collateral free micro finance loans.

Microfinance Institutions like Light Microfinance also recognize that financial uncertainty brings barrier to education and prevents the children from attending school. Microfinance support helps in stabilizing the small businesses and in turn the total household income and can indirectly also support children's education.

The story of Janki Ben of Nadiad, Gujarat narrates how a seemingly small decision by a woman to start income generating activity shapes the dream of the whole family. Janki used to sell milk to the local dairy network as they had four milch cattle. But the family income was too little to think beyond having two meals a day. When her son was born, Janki was concerned about his future.

Janki knew that financial independence was a distant dream for a housewife like her. But she was quite hopeful as she heard about the collateral free loan offering from Light Microfinance from a neighbor. Eventually, she attended meetings with other women where the loan officer of Light Microfinance informed her about the facilities and benefits of availing a loan. Having convinced her husband about buying a cow and saving the entire income from the cow for their son, Janki availed her first loan cycle from Light Microfinance. She undertook several training sessions from the NBFC-MFI on how to become financial independent and stepped into the path of independence to dream big for the future of her son.

A happy and gratified Janki said, "I would like to thank Light Microfinance for supporting me to start my own business. The training I received from the company helped me manage my income. I hope, by the time my son grows up, I would save enough money for his education. I would always be indebted to Light Microfinance."





Light Microfinance is a Non-Banking Finance Company registered with the Reserve Bank Of India. Headquartered in Ahmedabad, Gujarat, Light Microfinance provides micro and meso finance products and services with gender and poverty-focused programs, targeting rural and peri-urban areas, with a specific focus on poor women. The company operates in Gujarat, Rajasthan, Haryana, and Madhya Pradesh and is one of the fastest-growing microfinance companies in India today

As per industry data, Microfinance loan portfolio stands at INR 2,56,058 Crores as on December 31, 2021, serving 5.57 crore unique borrowers with 10.58 crore loan accounts.

NBFC-MFIs are the only regulated financial institutions in the country that give unsecured loans to the borrowers from low-income households. These institutions fill an unfunded credit gap for women who do not have the wherewithal to provide collateral or security of any sort. The aim of NBFC-MFIs is to build sustainable livelihoods. Through providing last mile financial services even to clients in remote rural areas, these institutions promote the Government's financial inclusion agenda.

NBFC-MFIs are an important partner for Prime Minister MUDRA Yojana and almost 50% of the loan disbursements under this programme have been done through microfinance companies. NBFC MFIs are registered with the Reserve Bank of India and are stringently regulated right from the size of loan, the tenure, the rate of interest and a Fair Practices Code (FPC) and an Industry Code of Conduct (CoC) which governs their functioning. The Reserve Bank conducts regular supervision of all NBFC MFIs.

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