



BHARAT BANKS ON BANDHAN BANK

Rohan Kochhar

journey from sweeping his father's sweet shop to the L banking high table is arduous if not impossible. Private sector bankers are supposed to be well-heeled, with a facility with the Queen's language, go on an annual pilgrimage to Davos, spend weekends playing golf and be a part of the Mumbai high society.

Chandra Shekhar Ghosh, Managing Director & Chief Executive Officer of Bandhan Bank is the odd one out and a harbinger of change. He understands and speaks the language of the poor. He has learned by working tirelessly in the microfinance and development spaces for the last 30 years.

While granting bank licences in 2014, the regulator was looking at the inclusive growth of India and the policy clarion call was "Sabka Saath, Sabka Vikas" his skill set was invaluable. A combination of that and the blessings of the poor of India put him in the banking high chair and he has performed the role remarkably well.

He has been instrumental in establishing a bank catering to India's vast landscape, with emphasis on women and livelihood-linked lending. Bandhan Bank has grown organically since receiving the universal banking licence from the RBI and starting

operations on 23 August 2015. It became the first-ever MFI to become a universal bank in India. Ghosh made sure that as an MFI, Bandhan furnished the necessary operational information, facts and figures to the RBI on a periodical basis, though they were not required to do so statutorily - good corporate governance and transparency are at the core of his ethics and he has built an

institution that has imbibed just that. Bandhan Bank getting the banking licence is an excellent example of development banking by the RBI and government's commitment to bridge the lending gap. Bandhan has the expertise of working with the poor, and, therefore, the inherent ability to make rural banking a success story. This has been appreciated by the establishment and giving Bandhan a banking license was a significant step forward towards financial inclusion and deepening. It's indicative of the government's renewed focus on the rural economy by ensuring greater outreach of the banking sector to Bharat's vast hinterland.

Bandhan extends its services not only to the affluent top 10% but also to the economically underserved population, encompassing both the rich and the poor. This shift doesn't just hold a symbolic significance but ensures greater infusion and deepening of financial services. The government is willing to take bold and unprecedented steps to meet the ideals of the inclusive philosophy of Prime Minister Narendra Modi-Sabka Saath, Sabka Vikas, and Sabka Vishwas.

Bandhan has done well under the leadership of Ghosh and has proved

sceptics wrong. During the quarter ending 30 September 2023, the bank added nearly 10 lakh customers with the total number of customers standing at ₹3.17 crore. Banking outlets stand at more than 6,200 and the network consists of 1,621 branches and 4,598 banking units. Most of its customers are women. Bandhan employs 74,000 persons.

The bank has mobilised deposits of ₹1.12 lakh crore and its total advances stand at ₹1.08 lakh crore as of 30 September 2023. It is fast growing in its reach and changing the lives of the poorest of the poor by helping them tap their entrepreneurial potential.

Ramdev Pandit

Ramdev Pandit lives in Kolkata and used to run a small grocery shop,

which shut down because of financial

constraints. He had a bit of knowledge of

leather chemicals and he and his wife took

their first loan of ₹30,000 and starting

trading leather chemicals. It turned out

to be quite remunerative and he soon

set up a shop with a storing facility. He

chose to pay the bank on a weekly basis.

Soon his exposure with bank increased

to one lakh and then to two lakh rupees.

He employs two workers and pays

about ₹15,000 as monthly wages each

and also takes care of their medical

expenses. "I am soon going to pay back

the current loan and looking to raise

₹300,000 to help expand my business,"

Kajol Patra

Kajol Patra in Kalyani, Nadia is in the business of making and selling

Puchkas (Pani Puri). Earlier, her family

was involved in the business of selling

fish, which hardly provided sustenance

There are many success stories to bank's credit. Gita Pal in Duttapukur, North 24 Parganas acquired pottery making skills that inspired her to start her own venture. Bandhan supported her with ₹20,000 about six years ago. This enabled her to procure the raw

leaving no room for savings. Bandhan

encouraged her to start her own

enterprise of making and selling

Puchka. What started as a small loan of

₹10,000 has grown to ₹110,000 today.

Puchka business has given her sound

financial standing and she leads a life

of dignity. She operates a number of

outlets in her village that has inspired

Alpana Das

A t the time of her manned husband used to drive a cab. His

earnings were not sufficient to run the

household as it was a joint family.

Since she knew tailoring, Bandhan

encouraged her to start a tailoring

shop and offered a loan. This worked

as a seed capital for Alpana's small

venture. It grew over a period of

time. Her husband also joined her to

support her business. She employed

fourteen tailors to meet the increasing

demand. While each worker earns

about ₹17,000 per month; Alpana's

personal monthly income has reached

₹1.5 lakh. She is a repeat customer

for Bandhan. With enhanced income,

she has bought the tailoring shop and

also purchased her own house just

opposite the shop. It is a testament of

successful business, which she owes

to Bandhan bank and its continued

t the time of her marriage, her

many other women to follow suit.

material and the necessary wherewithal to set up her pottery unit. Within a few years, her revenue multiplied to ₹20 lakh per annum and she also employed twelve skilled workers. She annually makes a profit of about ₹5 lakhs and is aspiring to expand her business.



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Since 2014, the focus on inclusive growth has been intense. Direct Benefit Transfers to sharply focused

beneficiaries on the one hand and job generative, spatially dispersed, equitable and sustainable growth on the

other have been the cornerstone of policy. How exactly is this panning out at the last mile? SKOCH Group is

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Bandhan continues to lend her. Dolly Biswas from Hooghly was working in a factory but was not earning enough. Finally, she started a rakhimaking unit of her own with some women, a project financed by Bandhan Bank. She did phenomenally well and,

in the process, employed many women in distress. Her factory now makes 3 million rakhis a year that are sold all over the country. "Loan from Bandhan feels like seeking financial help from

the family," says Biswas.

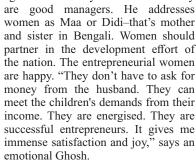
Ghosh calls his mother the 'CFO' of the family for managing the household adroitly despite all the odds pitched against the family. Women inherently are good managers. He addresses women as Maa or Didi-that's mother and sister in Bengali. Women should partner in the development effort of the nation. The entrepreneurial women are happy. "They don't have to ask for money from the husband. They can meet the children's demands from their income. They are energised. They are successful entrepreneurs. It gives me immense satisfaction and joy," says an

In the early days, working for an NGO, Ghosh, gained insights into working in the rural economy and that many farmers practise subsistence agriculture. In the lean months between crops, there's little to do and hardly any income but many mouths to feed the family. In desperation, the farmers and tillers sold their labour in the lean months for a pittance to work during the busy season to ensure the cash flow. Money lenders would charge exorbitant interest rates. Farmers were trapped in

Many seemed to have reconciled with the grim reality as given. Not Ghosh. He saw an opportunity in the adversity. He founded Bandhan microfinance in 2001, a not-for-profit enterprise to create sustainable livelihood by way of financial inclusion and women empowerment. Bandhan has saved lakhs of farmers from the clutches of exploitative moneylenders and improved their material well-being.

Ghosh is a competent banker, operating with a high degree of emotional quotient. His life experiences, witnessing the plight of the poor and their constant struggle to make ends meet, motivated him to be a change agent. After all, unreasonable, unrealistic and impractical are all words used to marginalise a person or an idea that doesn't conform to conventionally expected standards. Ghosh has done well, and so has Bandhan Bank.

Rohan Kochhar is an Advocate, an Economist and a Public Policy Expert. He passionately works on socio-economi development issues.



an insurmountable debt.





support, her life has been transformed

and she manages to provide quality

Ahmed Reza Mufti

Ahmed's rammy mas community making business for generations. He hmed's family has been in shirt inherited the skill from his grandfather. But of late, due to increased competition, the business started shrinking and in order to survive, he was in need of capital. Bandhan Bank came forward and pitched in with initial loan and soon Ahmed became a repeat customer for the bank. He invested in a full-fledged facility with two fully automatic sewing machines and a number of other electric peripherals that have enhanced his daily output. His fortunes have changed and he sells his produce under the brand name Sparky and supplies to the retailers – each shirt fetches him a profit of ₹50. He personally participates in a weekly Haat and retails his shirts that fetch him higher profit. His net profit in

Gayatri Rajbanshi

Babita Mahanty

Babita Mahanty, Topsia, Kolkata ran a thatched tea stall for years

till one day when she learnt about

Bandhan's loan facility. This was a

turning point in her life. With the help

received from the bank, she started

a small restaurant and invested in

buying utensils, gas, furniture etc.

Her monthly earnings are upwards of

₹50,000 and also she is supporting her

son who is studying CA. Recently,

Babita opened one more restaurant

and manages these with support of her

husband. It's a story of transformation

from a tea stall to a thriving food

business and growing.

Soon after her marriage, Gayatri Rajbanshi's husband lost his job and was doing menial work. Gayatri lives in Nadia and has always been enterprising, so she approached Bandhan Bank for loan and got an approval of ₹3,000 to start with. She along with her husband set up steel furniture making unit. a month totals to upwards of ₹50,000.

He attributes his success to the ongoing

support by Bandhan Bank. ■

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says Ramdev.

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