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MAKING A DIFFERENCE

Forbes honour for Bengal microcredit group

Kolkata January 24

WHAT STARTED off as a fledgling organisation at Konnagar in Hooghly five years ago has bagged the honour of being the world's second biggest microfinance institute.

Bandhan has been listed second by prestigious business magazine Forbes, where the Grameen Bank founded by Nobel laureate Md Yunus of

Bangladesh is in 17th position.

Driven by a dream to change the lives of people around him, Chandra Sekhar Ghosh, now the CEO of Bandhan, began his career making sweets at his father's shop, but soon realised that this was not the way he could do it.

"I realised that the poor need financial support to increase their earnings so that they can provide food security for their

children," said 48-year-old Ghosh, who hailed from a middle-class family in Tripura before shifting to Konnagar.

In 2001, Ghosh tried to establish a microcredit association with NGOs, but it failed to take off. "The endeavour could not gather momentum as NGOs, which work with national and internal funds, were not ready to fund a microcredit venture."

But not one to give up, Ghosh

went on to establish Bandhan the same year with the help of some friends. "Initially, most banks refused to give us loans as the company profile was small. Then a bank agreed to sanction a loan of Rs 20 lakh in July 2002 and since then there has been no looking back for the organisation."

Bandhan now has over eight lakh beneficiaries through 425 branches and an outstanding

loan of Rs 250 crore.

The selection of beneficiaries is based on scale, efficiency risk and returns. At present, Bandhan disburses loans amounting to Rs 60 crore to 90,000 people every month.

"I wanted to change the socio-economic condition of people around me. People have come to know me and I am honoured," Ghosh said.

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