

Bandhan's Collection Efficiency Up at 60%

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Kolkata: Private sector Bandhan Bank said its collection efficiency has improved to 55-60% in the second week of June, with the easing of lockdown restrictions allowing field workers to reach out to borrowers at the grassroots level.

The bank with a predominantly high microfinance exposure has a 26,000-strong field workforce who form the backbone of its repayment collection mechanism.

"Field collections are improving. It would have been even better had the cyclone Amphan not happened," managing director Chandra Shekhar Ghosh told ET. "We started collection from the first week of June while we had offered a moratorium on loan repayment to all micro borrowers in

the first phase till May," he said.

The bank on Thursday held a video call with investors to assure the market about its repayment efficiency, among other issues. Its stock jumped more than 7% on Friday to close at ₹290.95 on the BSE, outpacing the benchmark Sensex that rose 1.5%.

The RBI has directed banks to extend the moratorium benefit to borrowers under stress till the end of August, after the first phase of it expired on May 31.

Bandhan's total loans grew 60.5% year-on-year to ₹71,846 crore at the end of March, buoyed by its acquisition of Gruh Finance. The bank's micro-loan portfolio, which accounts for two-third of its advances, rose 21% to ₹46,000 crore.

The Kolkata-based lender controls about one-fifth of the ₹2.32 lakh crore microfinance market in India.