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BoB to Chase 1,000 Startups with Loans

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Mumbai: State-owned Bank of Baroda (BoB) has joined the startup bandwagon, launching a new programme to lend to startups as it seeks to catch these fast-growing companies in their formative years. The lender has opened dedicated branches across 10 cities and towns and plans to add another five in the next two weeks as it aims to reach 1,000 such companies in the next two years, a senior bank executive said.

“Through these dedicated branches, we plan to offer them current accounts, payments gateways, credit cards and also a loan of up to Rs2 crore,” said Akhil Handa, head-fintech and new business initiatives at BoB. “The companies which qualify for a loan will either have to have an angel investment earlier or have to be recognised by the DPIIT (Department for Promotion of Industry and Internal Trade). We have also engaged experts from IIT Bombay to help these companies prepare a business plan and examine it for a bank.” The experts will be paid a fee by the bank.

BoB’s plan to start dedicated branches follows a pilot by the bank about a year ago in which it had lent ₹20 crore to 19 such companies. Handa said the bank’s good experience in lending to these companies has led to this new initiative.

“These companies have grown rapidly and some of them have a turnover of ₹50 crore or more. We are see-



ing this as a business opportunity to catch these companies young and increase engagement with them as they become bigger,” Handa said.

BoB has also partnered with IBM, co-working space company 91Springboard, and legal and accounting service companies to provide assistance to these startups by the way of cloud credits, providing work spaces and legal advice. The bank hopes that they can these extra services will pull these young companies towards it.

Currently, the bank’s special startup branches are spread across Gurgaon, Delhi, Noida, Bengaluru, Chennai, Mumbai, Jaipur, Ahmedabad, Pune and Hyderabad. In the next two weeks, it will add Lucknow, Indore, Kolkata, Kochi and Chandigarh to its startup network.

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