Ratnakar Bank plans to double business to Rs 8,000 crore

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Kolhapur-headquartered Ratnakar Bank is planning to double its total business to about Rs 8,000 crore by March-end 2012 by focussing on segments such as financial inclusion, retail and small and medium enterprises (SMEs).

The bank has created a separate financial inclusion (FI) vertical and re-designated 55 of its 98 branches as FI branches. These branches will cater to the credit needs of the financially excluded in rural and semi-urban areas and also help expand priority sector lending, including agriculture, micro and small enterprises, and home loans.

Besides its own employees driving the FI plan, the unlisted old-generation private sector bank has also tied up with BASIX Sub-K iTransactions Ltd, a subsidiary of microfinance institution Basix, for engaging the services of business correspondents to push FI in areas located far away from the branches.

Besides financial inclusion, the bank will give thrust to retail lending — home loans, car loans, and consumer loans — and SME lending.

“Over the last six months, we have put the building blocks for growth in place by getting equity capital, attracting talent — experienced as well as fresh, and giving employee stock options,” said Mr Vishwavir Ahuja, MD and CEO, Ratnakar Bank.

PREFERENTIAL ALLOTMENT

Last month the bank raised Rs 720 crore through preferential allotment of equity shares to investors such as Beacon India Private Equity Fund, Cartica Capital, Faering Capital, Gaja Capital Partners, HDFC Ltd, Norwest Venture Partners, Samara Capital, and TVS Capital.

“The capital we raised last month will take care of our growth needs for the next two years,” said Mr Ahuja.

As part of its growth plans, the bank will also be doubling its branch network to 200 in two years. Currently, the bank has branches predominantly in Maharashtra, Karnataka, and Goa.

As of March-end 2010, the bank had assets of Rs 2,086 crore and deposits of Rs 1,585 crore.