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Doha Bank plans India expansion

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KOCHI

Qatar-based Doha Bank, which last year bought a 49% stake in Kochi-based brokerage firm Select Securities Ltd, is planning another round of investments in India, focussing this time on retail lending, sustainable energy projects, technology and financial institutions including stakes in Indian banks.

Doha Bank has an \$800 million (Rs3,400 crore) fund for investments in global markets, a good part of which will come into India, R. Seetharaman, its chief executive, said.

The bank is also awaiting regulatory approval to start commercial banking operations in the country, for which an application has been pending with the Reserve Bank of India, or RBI, for the past three years, he said.

"We will (also) start stake acquisitions in banks and financial institutions," he said during a recent visit to India, but did not elaborate on which banks his organization is targeting.

Doha Bank's proposed non-banking finance company (NBFC) in India—through Select Securities which has been renamed **Doha Brokerage and Financial Services**—has already received a licence from RBI. NBFCs, or consumer finance companies, are less strictly regulated than deposit-taking banks in India.

The NBFC is expected to become operational in the next three-four months, after which the bank will initially pump funds into commercial vehicle loan and mortgage operations, followed by expansion into retail lending, Seetharaman said.

The acquisition of Select Securities with a client base of around 42,000 and more than 100 branches in India will be

The bank CEO says a good part of its \$800 mn fund for global investments will come into India

leveraged through the proposed NBFC with a fund base of about \$200 million, he added. Doha bank also has an option to raise its stake in the brokerage firm to 80%.

The Qatar bank has already tied up with several banks and financial institutions to distribute its financial products to non-resident Indians.

The bank also plans to launch an asset management company and non-life insurance business through Doha Bank Assurance, its insurance company in Qatar.

Other than bank and financial operations, Doha Bank is keen on investments in wind power and biodiesel projects in India that can use carbon exchange as a platform for trade in carbon credits.

The bank is set to launch a carbon exchange in Qatar once the Energy City, a business centre catering to the oil and gas industry, in that country is commissioned. Seetharaman expects the carbon exchange to be ready by April.

Carbon credits are generated by using cleaner technologies. With each reduced tonne of carbon dioxide emission, an organization receives a carbon emission certificate, which it can sell to those who exceed the emissions target.

On the information technology front, the bank proposes to make Kochi a centre for outsourcing and has already completed a study in this regard.