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# IDFC-Capital First may have to Raise ₹4kcr to Meet Norms

Warburg Pincus would need to trim stake in merged co by half a percentage point

**Shilpy Sinha & Saloni Shukla**


**Mumbai:** The proposed merger between IDFC Bank and Capital First, more than a third owned by private equity firm Warburg Pincus, will require the merged entity to raise as much as ₹4,000 crore to meet regulatory obligations on liquidity while the buyout firm may have to cut its stake by half a percentage point or so.

The new bank has to buy more government bonds to meet the statutory liquidity ratio (SLR) and set aside funds as cash reserve ratio (CRR), the proportion of deposits that banks have to maintain with the Reserve Bank of India (RBI).

"We need an overall amount of ₹5,000-6,000 crore as a result of this merger," said IDFC Bank managing director Rajiv Lall. "We already have surplus CRR, SLR of about a little over ₹2,000 crore. So, it won't be a problem to mobilise another ₹3,000-4,000 crore."

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## Curd Rice, Khichdi and Merger Talks

The IDFC-Capital First merger was the result of bonding between Rajiv Lall and V Vaidyanathan, forged during secret meetings over curd rice and khichdi. ▸▸ 9

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