

We Want to Play with the Growing Corporate Sector

Q&A

V Vaidyanathan, CMD, Capital First, says the core story of financing

small entrepreneurs and consumers does not change at all. In fact, it accelerates because post merger, as a universal bank, they will have a perennial source of liabilities, he tells ET Now. Edited excerpts:

You've received a 'no objection' from RBI for the merger with IDFC. What are the other key approvals pending for you?

We have already got approvals from Competition Commission of India, NHB, BSE, NSE and now an NOC from the Reserve Bank of India. A good number of hurdles have been cleared. The next step is to take approval from NCLT which will involve getting clearances from creditors and shareholders.

When do you hope to get all those clearances?

It could take four to five months.

Are you confident that the merger with IDFC Bank would happen before Diwali?

We can hope so. We can hope to burst a few crackers with the merger.

What would be the first thing you would like to implement when you become a bank?

From day one, we want to think very long. We will look at putting all the pieces brick by brick in such a way that our funding becomes low cost, long term and more perennial. A big focus will be liabilities. We really have a very strong asset franchise which I expect will continue to grow about 25% upwards at least in the retail side.

Would you like to be called a universal bank with retail focus or the focus would be both on corporate as well as retail?

Yes, first of all, it is universal bank.



Number two, we want to be very dedicated and very focussed about what we want to do. We believe we want to create a relatively simple bank and in my opinion a simple bank is retail bank because it is just so diversified and the machinery in Indian economy and consumption is so much on the rise. Those tickets will play really very well. On the wholesale side, we want to play along with the growing Indian corporate sector. Basically, we want to stay here. We just do not want to introduce any extraordinarily complicated treasury products. I am quite concerned about anything complicated.

Would you be heading the merged entity as the MD and CEO?

Yes, I am going to be the MD and CEO and basically have the executive role. Dr Rajiv Lall will have the non-executive role and that is the role of a chairman. Frankly, there is tremendous talent available on both sides and when we put the pieces together, we will be able to create a really good team. There is a lot of interest from other organisations right now. Let me tell you who would also want to participate in this new bank which we are putting together. It is very exciting.