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Rohit Walia, Executive Vice Chairman and CEO, Alpen Capital

Banking on Success

Rohit Walia, Executive Vice Chairman and CEO, Alpen Capital talks to *Banker Middle East* about the bank's successes and cross-border opportunities between the GCC and India

What was the raison d'être for Alpen Capital when it was started in Dubai and how has it grown over the last few years?

Alpen Capital was set up in 2005 as a boutique investment bank offering advisory services in the areas of debt, M&A, equity and capital markets. We run on a collaborative model with our private banking associate – Bank Sarasin-Alpen. The IB-PB platform has worked very well for us. The idea was to use each organisation to complement the other based on the specific requirements of clients.

We realised quite early on that being physically present in each location is very important and started operations in Qatar and Oman as early as 2008 and in Bahrain in 2010. We have recently received an in principle licence for Saudi Arabia as well. We have grown rapidly in India and currently have four offices across the country in New Delhi, Mumbai, Bengaluru and Kolkata.

How is the market more competitive now than in 2005?

The market has always been competitive and there are many small and big players. However I am a strong believer that the market is big enough to accommodate all the players. We occupy a particular niche and every organisation has to carve out its own special positioning.

What do you advise clients on the unique positioning of the GCC business environment i.e. the positives and success stories of the GCC market?

The GCC has a unique offering with sound infrastructure, solid logistics base and low cost of power. It also has a location advantage being close to the Indian Sub-continent, Africa as well as Europe. The infrastructure base is strong with several free zones and ports which facilitate re-export of goods. The cost of credit is cheap. The approvals process is swift and the governments across the GCC have played an important role in providing investors with ample opportunities in terms of both resources and capital.

What are the opportunities available for investors who are interested in the GCC-India corridor?

The GCC and India are historic trade partners and enjoy strong cultural and historic ties. The two-way merchandise trade between the two regions has grown significantly in the past decade. We also expect to see investments in the Indian infrastructure sector from the GCC grow significantly in the coming years. There are several opportunities for GCC investors to further diversify their investment portfolio by taking positions in the promising Indian investment avenues as the return on investment remains

relatively robust. At the same time, due to its geographical advantage and abundance of natural resources, the GCC has the potential to serve as a manufacturing base, as well as an export hub for Indian companies.

There are several opportunities present in both markets and we see a lot of interest in Indian companies investing in the GCC due to its favourable business environment. Alpen Capital recently concluded a large transaction bringing together Zuari Agro Chemicals, India with Ras Al Khaimah Maritime City to set up a fertilizer manufacturing facility, with a project cost of \$800 million in the UAE.

What have been your successes into and from India since Alpen Capital began operations there in 2009?

Alpen Capital prides itself as being particularly strong in the GCC-India corridor. We have an amazing team both in the India and GCC who work well together towards identifying opportunities for the clients. Alpen Capital has strong relationships in the GCC and also has its footing in India which provides a unique advantage to Indian investors looking to invest in the GCC. It is also worth mentioning that we entered the Indian market at the start of the financial crisis and sustained our operations in a climate where many others were pulling out of India. In a short span of time, we have grown to four offices in India. We have a successful track record of deals in the GCC-India space.

Are you seeing a need for investment solutions overseas? If so, what is profitable to invest in overseas, in Europe and US, emerging markets?

I believe that there is better growth potential in India and the GCC. European markets are stagnant – although valuations have come down, the longer term outlook is more favourable for the GCC and India. While European and US investments have historically been popular with GCC clients, we now see a clear trend where clients are looking to invest within the GCC.

Which sectors will provide opportunities in 2013 in the GCC?

In 2013, besides continual support from the hydrocarbon sector, contribution from non-hydrocarbon sectors is also expected to boost economic growth in the GCC as governments are making significant efforts to diversify the economy. In the non-oil sector, we see healthy growth in the services sector, driven by government spending. We also see opportunities in retail and education sectors in the GCC.

What is the trend in the GCC/region as far as M&A activity?

M&A activity has picked up considerably since last year. Companies are currently spending on acquisitions designed to advance their businesses and using acquisitions both for top-line growth and to expand into new geographies and new product lines. Due to the economic crisis, globally there is also an increasing trend among companies to focus on their core competencies and most divestment/dilution decisions are being taken with a need to re-focus on business strategy. There is a high level of interest in regional investment opportunities.

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How do you recruit and maintain a team of highly skilled professionals that can work to unique client demands

I think we have a magic team in place. I do not think anybody has a team in the region like we have. Between Alpen Capital and Bank Sarasin-Alpen, we have a team of 125 highly engaged employees who work hard and at the same time have fun together. My motto is “work hard and party harder”. Most of us in Alpen Capital have worked with each other at some point in our lives, as a result of which we have a group of like-minded people coming together and doing business. This brings a different kind of synergy to the organisation and its culture.

What are the CSR initiatives that Alpen Capital is involved with in the international and regional market?

For a small organisation, we do a lot in terms of corporate social responsibility. We look at performance beyond numbers and are seen as an organisation with a heart and a conscience. Since the start of our operations over eight years ago, we have been part of several CSR initiatives and have a long standing partnership with Dubai Cares. We also work with Emirates Environmental Group, UNICEF and other organisations on specific initiatives. Some of our other CSR initiatives involve mobilising the

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DIFC community to come together to support children's education in Haiti, through the DIFC Charity. A walk, tree planting for environment conservation or encouraging recycling, go a long way in creating awareness both internally and externally.

While we have won several awards for business excellence, we also have some very nice awards in non-business areas such as "Sheikh Mohammed bin Rashid Al Maktoum Patrons of the Arts Award", for our contribution to the creative scene in Dubai and support of the Arts. We have also been honoured with the CSR Label by the Dubai Chamber of Commerce for our CSR and sustainability activities.

Your support of the Arts and Music is very evident from the organisation of your Global Fusion concerts. Tell us something about the concert?

Global Fusion is our flagship event and represents our strong commitment to arts. It is a unique concept put together by us. We bring together musicians from all around the world and their amazing musical performance has been well received. Most people are surprised when we tell them that this event is organised in house and not by an external agency and that most of the musicians are collaborating together for the very first time. It is a private client event and we use this opportunity to provide an entertaining evening for our clients with the best in world music. We also support local artists in every country and provide an opportunity for talented local musicians to perform with world renowned names at our Fusion concert.

What are some of the major transactions Alpen Capital has concluded in the past 12 months?

Alpen Capital has worked on some interesting transactions in the past year. We made dramatic in-roads in establishing our position of leadership in the GCC-India corridor with the announcement of the \$800 million fertiliser plant for Zuari India, in partnership with RAK Maritime city. This landmark transaction is the biggest foreign direct investment into the UAE. We also closed some important M&A transactions including selling the combined stake of two large UAE-based institutions in Empire Aviation Group FZCO to Air Works India (Engineering) Pvt. Ltd and advising the Bin Omran Group in Qatar in a back-to-back M&A and a Private Equity deal. We are also in the process of concluding some landmark transactions in India which will be announced by the next quarter. As far as debt goes, we did some big ticket transactions for the Meydan Group helping them with their growth strategy. We also closed a large debt transaction for Petrochem Middle East.



Alpen Capital partnered with Dubai Cares to commission a hand-painted replica of the Burj Khalifa, the proceeds of which will be used towards providing primary education to children in developing countries

What further expansion plans does Alpen Capital have in the GCC?

We just received an in principle licence to operate in Saudi Arabia and we are very excited about being present in the GCC's biggest market. This will help us strengthen our reach and I am sure our clients in Saudi Arabia will benefit from our extensive expertise. We have grown rapidly and have a strong footprint in the GCC. While we will continue to look for future growth opportunities, consolidation of operations is also a priority for us. ➡