

## INTERVIEW RANJIT SINGH

## 'India and the Middle East have been major trading partners since ancient times'

Ranjit Singh, managing director, Kalpataru Power Transmission Limited (KPTL) shares his experience of doing business in the United Arab Emirates

**Can you share your experience of doing business in UAE?**

Kalpataru Group has had a long history of doing business in the Middle East since early 70's. We have undertaken some of the biggest landmark projects in UAE such as Boorj Avenue in Sharjah, Sharjah Continental Hotel, Holiday Inn in Khor Fakkan and Abu Dhabi Police HQ Complex in Abu Dhabi, UAE University Campus in Al Ain, Township in Dibba amongst many other government, residential and public amenity projects.

KPTL has been one of the key players in successful development of Power Transmission Infrastructure in UAE and other GCC countries. We have successfully executed complex multi-million dollar projects in Qatar, UAE, Kuwait etc.

In addition to the power infrastructure and construction projects, the company's subsidiary Shree Shubham Logistics has been exporting several agri-commodities to the Middle East markets like UAE, Lebanon, Morocco, Saudi Arabia, Kuwait, Yemen and Tunisia. In the last year, the company has exported over 3,000 MT's of various products into these countries.

**What has been your experience of doing business here?**

India and the Middle East have been major trading partners since ancient times and have cultural and ethnic affinity. Our experience with the government, trade organisations and public sector companies in the Middle



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East in general and UAE in particular has been very good. The fair, transparent, rule based operating culture provides a level playing field to all market participants. The well developed physical and financial infrastructure provides great facilitator and makes business happen with ease. Dubai, Abu Dhabi, Qatar and Bahrain are well developed financial markets which provide critical facilitation for international finance for any infrastructure EPC company like ours. The Middle East also serves as a gateway to the African markets.

**Can you mention any specific projects recently handled by KPTL in UAE?**

KPTL successfully completed a

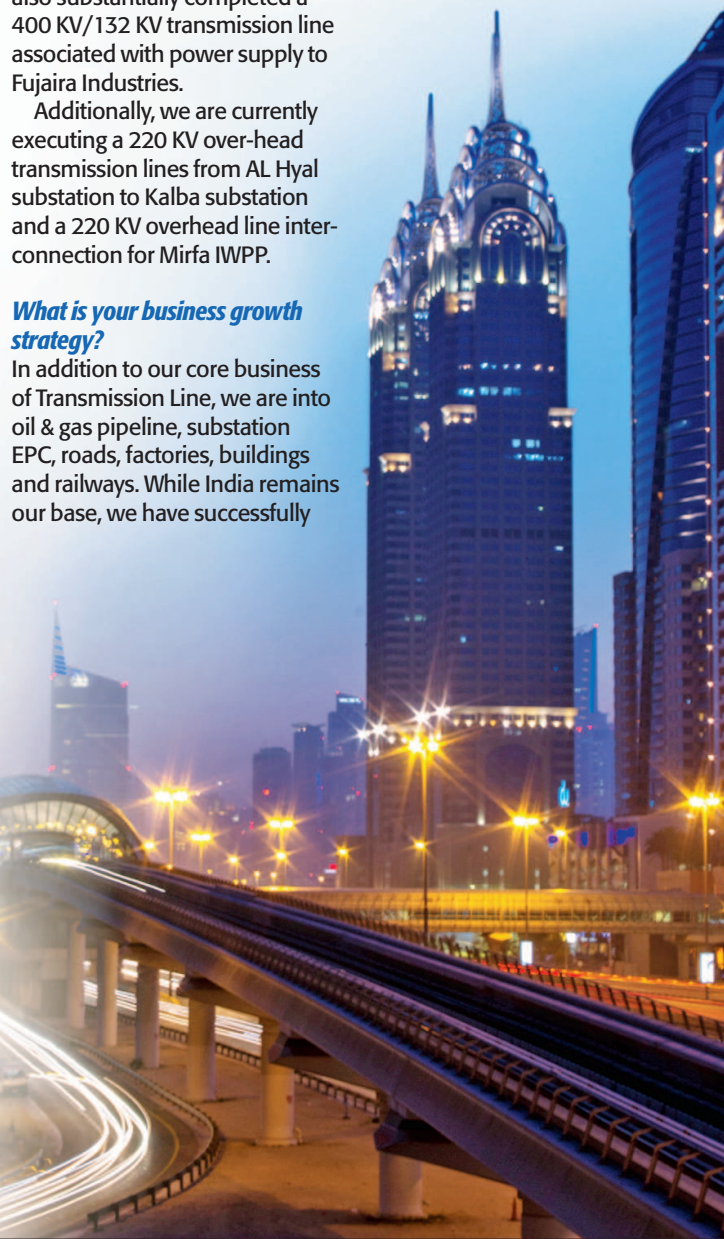
220 KV transmission line project from AL Ain substation to Umm AL Oush substation. We have also substantially completed a 400 KV/132 KV transmission line associated with power supply to Fujaira Industries.

Additionally, we are currently executing a 220 KV over-head transmission lines from AL Hyal substation to Kalba substation and a 220 KV overhead line inter-connection for Mirfa IWPP.

**What is your business growth strategy?**

In addition to our core business of Transmission Line, we are into oil & gas pipeline, substation EPC, roads, factories, buildings and railways. While India remains our base, we have successfully

diversified our product and geographical portfolio. Our growth strategy very clearly is to become a global infrastructure EPC company. In this pursuit, the Middle East markets are very integral to our overall strategy. We are witnessing tremendous opportunities here. As a matter of fact, a significant percentage of our current order book is from this region. Across all our business lines, we are actively participating in the upcoming projects. We are expecting a significant traction of orders in the pipeline, railway and substation sectors.



## INTERVIEW DELANO FURTADO

## 'UAE clients with global operations are keen to establish joint ventures in India in the industrial sector'

Delano Furtado, partner, Trilegal highlights some of the business opportunities for UAE-based companies in India

**What is the nature of services that you provide companies venturing from UAE into India?**

Trilegal is an Indian law firm with offices in Mumbai, New Delhi, Bangalore and Hyderabad. As a full service law firm our areas of expertise include corporate - mergers and acquisitions; strategic alliances and joint ventures; private equity and venture capital; energy and infrastructure; banking and finance; restructuring; capital markets; telecoms, media and technology; dispute resolution; competition law; labour and employment; real estate; and taxation.

Our client roster includes sovereign wealth funds, subsidiary companies belonging to the Qatari Investment Authority and other large private companies based in the UAE; who seek advice from us in relation to their acquisitions and financial investments in listed and closely held Indian companies. As Indian legal advisors to these companies, our services usually include conducting a legal due diligence on the target, assisting with structuring a transaction, negotiations, drafting and finalising transaction documents, applying for regulatory approvals and assisting the client with closing and post-closing matters. We also provide strategic advice to some of these clients on their plans to enter or expand in the Indian market.

As trusted advisors to our clients, we have also participated in bank consortium meetings and facilitated discussions aimed at obtaining lender consents in connection with majori-



ty stake acquisitions of Indian companies by UAE companies.

**According to you, which sectors in India are attracting investments from UAE-based companies?**

We have seen clients from the UAE particularly keen on investments in the foods, financial services and technology sectors in India. UAE clients with global operations and manufacturing facilities have also been keen to establish manufacturing joint ventures in India in the industrial sector. These joint ventures are primarily established to service the Indian market and meet domestic demand for high quality products in the construction sector, oil and gas sector and public infrastructure.

**What advice would you give to UAE-based MNCs that wish to set up business in India?**

Most importantly is the choice of Indian partner. We have seen joint venture partnerships close successfully and overcome most hurdles post closing if the joint partners are aligned in thought and business objectives. The failure to adhere to the rule of law in India or lack of

clarity established early on in the role and expectations of joint venture partners have put a strain on joint venture relationships and have hurt investments made by both parties. The other key issue for companies in the UAE is to understand the Indian regulatory environment, particularly issues relating to closing down of businesses and manufacturing plants. Liquidation or insolvency proceedings in India are tedious and time consuming especially when it involves a huge workforce and multiple local lending arrangements. Some of these issues that arise in the context of shutting down a business in India may be unique to India, and our clients do find it to be a challenge. Potential investors should therefore bear these in mind when structuring their entry and exit into the country.

**What support do you think the government/investment bodies can provide to stimulate bilateral trade between India and the UAE?**

A key challenge for any foreign investor in India is the regulatory and policy uncertainty. In my opinion, a clear and comprehensive foreign direct investment policy which does not require investors and advisors to refer to additional government circulars and guidelines outside the policy or seek informal clarifications from regulatory authorities, would be a good starting point. Clear guidelines on enforceability of certain typical investor rights and remedies should also be framed.



## In the future, it will take many imports to make an export.

By 2025, the value of Japan's total imports of automotive components, from markets as diverse as Vietnam and Poland, is forecast to overtake its total car exports globally.\*

As businesses increasingly operate within supply chains that span multiple countries it's critical to have a wider perspective of how a business operates not just now, but in the future.

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\*Source: Delta Economics 2011

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