



# The Flexible Approach

Interview with the two heads of Elite Capital & Co.  
Dr. Faisal Khazaal, PhD. LL.D. KGCC and Mr. George Matharu, MBA.

By: Elias Moussa



Elite Capital & Co. Limited ("ECC") provides turnkey solutions for Government Infrastructure Projects, such as Roads, Bridges, Sea Ports, Power Plants, etc. These projects will typically be implemented in developing countries.

The "turnkey solution" means that ECC provides a world class EPC Contractor to perform the work, and provides the finance to complete the project against some form of payment guarantee issued by the respective country.

ECC's services depend on four types of "Funding Collateral".

**1. Commercial Bank Instruments;** Bank Guarantees, Bonds, Medium Term Notes, or other Bank Debt Instruments issued by banks rated 'B+' or better, but this can be reviewed on a case-by-case basis.

Four questions were addressed to the Chairman and the President of the Elite Capital & Co. Limited on the occasion of its winning the "Sustainable Mega Finance Provider 2017 Award".

#### What is Elite Capital Company's ambition at the present time?

There are no limits to ECC's ambition. The entire team aspires for the company to be the largest lender in the world during the coming few years. We do not have any direct competitors, because our unique and flexible approach

with our customers ensures we always achieve their goals. The present lenders in the global markets were impacted by the negative effects of the present financial crisis and, as a result, they now adopt stricter attitudes toward their customers. This has provided opportunities for ECC to apply our knowledge and resources to those customers and their projects.

**How has Elite navigated the turbulent world of financing in recent years, when many banks**

**2. Sovereign Guarantee;** Elite Capital & Co. Limited is able to facilitate funding for Government and Infrastructure Projects against a Sovereign Guarantee subject to the Sovereign Guarantee being ratified by the relevant authorities and departments, namely the Central Bank and Ministry of Finance in the respective countries.

**3. Resource Guarantee;** The option is available to fund projects against a Resource Guarantee such as an Oil Guarantee or any other significant and valuable minerals or resources that the country has may also be considered.

**4. Promissory Notes;** Corporate Promissory Notes endorsed by a commercial bank can be useful if the project has bankable assets that can be used for leverage financing.

#### have been forced to rein in their lending?

As we have stated in our response to the last question, ECC provides a more flexible approach to funding projects, without compromising on adherence to financial rules and regulations. For example, we may consider straight forward lending in terms of a loan, or provide upfront finance for construction and assist the client in getting "exit finance" for their project after the construction phase has been completed and signed-off. These

are just two ways in which we can look at funding a project, whilst banks typically only have one 'mode' of working.

Certain unusual circumstances have helped ECC to create our flexible approach to funding. The most outstanding among those exceptional circumstances is that ECC was incorporated and emerged at the start of the present global financial crisis in 2012, when the banks and the world's leading lenders started to face the crisis, thereby reducing their flexibility



01. Dr. Faisal Khazaal, PhD. LL.D. KGCC and Mr. George Matharu, MBA.

in granting loans to borrowers. Because ECC was established at that point in time, it did not suffer the difficulties that other lenders are now facing. Quite to the contrary, ECC benefited from the situation during that period by adapting to the situation and establishing a flexible system of its own that suited the prevailing circumstances.

#### Elite offers lending through both conventional and Islamic, Sharia-compliant systems. For those who don't know, how do the Sharia-compliant systems work?

ECC presents the Sharia-compliant system as an option rather than a mainstream system within its operations. We have

been doing this at the request of a very small number of customers since the establishment of ECC. The difference may be simply explained in that in a Sharia-compliant system there is no interest. This does not mean that the loan will be repaid in capital only. Instead a "management fee" is included in an amount equal to but not in lieu of the interest. This is strictly in accordance with the Islamic Sharia.

The only difference between a "management fee" and "interest" is that the first cannot be cancelled, reduced or waived throughout the term of the loan even in the event where the borrower performs an early settlement. Interest, on the other hand, may be cancelled in the

event of early settlement, for the remainder of the loan term.

Here at ECC, we respect all religions and we let our customers decide what type of financing is most suitable for them, subject to the controls contained in the Sharia-compliant system.

#### Infrastructure projects in the US look set for a major boost under the Trump administration. What is the outlook in the markets in which Elite operates?

Needless to say, the election of Trump as President has divided opinion within the US, and all around the world. On the back of the Brexit decision, we are witnessing the biggest shift in politics in recent times, coupled with economic uncertainty.

As discussed earlier, the financial crisis provided ECC with opportunities, and we will also look for new opportunities under the Trump administration. However, the financing landscape in the US is very well established, so ECC's funding models may be more appropriate for developing countries. ●

Elite Capital & Co. Limited  
Contact Details:  
**The UK Head Office**  
Elite Capital & Co. Limited  
33 St. James Square  
London, SW1Y4JS  
United Kingdom

Telephone: +44 (0) 203 709 5060  
Facsimile: +44 (0) 203 709 5061  
SWIFT Code: ELCTGB21

[ec.uk.com](http://ec.uk.com)