

## Panel: Landscape for Indian investment changing

BY PAUL IMBESI

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NEWTON, Mass. — In a panel about investment opportunities in India at the recent "IndUS Business Journal 2006 India Investment Summit & Awards Banquet," panelist Paresh Patel told the audience that there is no time like the present when it comes to business in India.

"I think the market will be your friend over the next year," said Patel, chief executive officer of the Boston-based Sandstone Capital LLC, a hedge fund focused on India.

The IndUS Business Journal's panel brought together businessmen and businesswomen interested in trade and investment opportunities in India, and preceded the awards banquet, which honored businessmen and businesswomen working in the Indo-U.S. community. The event took place on April 27 at the Boston Newton Marriott.

The subject of the panel was business trade and investment opportunities in India. Patel was joined on the panel by Saurajit Kanungo, the vice president of operations for SPI Inc., an IT services company headquartered in Irving, Texas; Oscar Jazdowski, a senior relations manager who concentrates on the software industry in Boston with Silicon Valley Bank in Newton; and Ameer Ashok Ponda, an attorney with Sullivan & Worcester LLP in Boston, who focuses on cross-border finances and business transactions.

"I think [the panel is] more about getting people together who have common interest, and having people express their opinions about India, and how it's developing the investment environment," Patel said afterwards. "You just get a sense for what the lay person feels and what other people think the opportunities are."

The panel touched on a number of topics, including understanding business opportunities in India, U.S.-India relations, and intellectual property security.

All in all, the panelists were optimistic about the growing interest and opportunities in the subcontinent.

Kanungo said the perception that India had five years ago, as a destination for low-cost labor and talented people, has changed. Now, he said organizations are beginning to believe in India's market as a place to sell their goods.

He said companies like Cisco and Dell are "getting flooded with orders," and are now looking at the subcontinent as a longer-term investment.

Jazdowski agreed that the landscape for investment in India has changed as recently as in the past 24 months.

Patel added that India-based companies like Wipro and Infosys have not even scratched the surface on how big the market is in their own backyard.

In the past, investment in India was hindered by questionable intellectual property security. But that seems to be changing.

Jazdowski said that the pressure to improve IP security has come from within India, specifically, Bollywood. He said India's entertainment industry put pressure on the government to prevent piracy, and this has had an effect on the whole technological industry in India.

Patel said that whether or not IP security has truly been improved, people are feeling safer about it in India.

However, there are still concerns in India. One issue is other countries that are competing with India for the world's cheap labor.

Kanungo said India needs to "move up in the value chain" to secure jobs. One way is by working in areas like research and development for technology, as well as in growing areas like biotechnology and medicine. One example he gave was Microsoft developing a product that would challenge Google. The development for this product is taking place in Microsoft's Hyderabad facility.

Jazdowski added that the subcontinent is no longer a business destination simply for cheap and talented labor. Now, India can produce quality goods in large quantities.

Another area of concern that was brought up several times was India's infrastructure.

Jazdowski said the infrastructure is an area where he sees India at a disadvantage to communist China.

Sullivan & Worcester's Ponda, said he knows India is often compared to rising economic power China, but he believes that India has an advantage over China: because Indian citizens get to vote, just like Americans. He added democracy in India will work for its citizens in the long run.

"There's so much change happening in India, as long as you're looking carefully, every sector you're going to make money. Just the question is some sectors you might make more money than others, some sectors might be more difficult, some sectors might be more volatile," Patel said after the panel.

Commenting on the panel, Parveen K. Chani, the marketing director for Universal Architects Inc. in Holliston, Mass., thought it was a good panel, but the panelists were limited to their own sectors.

"The dots need to connect. They need to give us the information as to whom do we contact, where do we go for the funds, how do we go about this whole process - is there a proper channel to it?" she said. "We would like to invest there, but we would like to know, 'What are the connections?' What are the dots that connect?"

"India is such a diverse place," Patel said. "You could have 500 people have a different opinion on the same thing, but everybody's right. And so hearing everybody's opinion, I think it's worthwhile. Sort of keeps yourself grounded."



**Ameer Ashok Ponda, an attorney with Sullivan & Worcester LLP, speaks during a panel at the "IndUS Business Journal 2006 India Investment Summit & Awards Banquet."**