



T A R A S P A N
G R O U P

Doing Business With India

Raj Narula & Mike Manson
November 8, 2006

TaraSpan Group



- Strategic advisory services on technology commercialization, new venture growth and funding
- Offshore product and market development strategies
- India experience:
 - 20 years experience in India
 - Offshore software product development experience since 1997
 - India strategy creation - one of Canada's largest software companies
 - M&A of Ottawa software company by Indian software company
 - CEO/CTO/COO relationships with top 10 Indian software product development services companies

TiEcon Delhi 2006



- TiE - The Indus Entrepreneur
 - Global entrepreneurial network
 - Founded 1992 in Silicon Valley
 - 44 chapters in 9 countries
 - 13 in India, 3 in Canada including Ottawa
 - 1400 Charter Members, 10,000 members
- TiEcon Delhi 2006 (Oct. 26-28)
 - Annual TiE conference
 - 650+ attendees - entrepreneurs, execs, VC's
 - Networking, mentoring, investor sessions

VC Activity



- Top-tier US VC's all have India presence:
 - Greylock, Sequoia, Kleiner-Perkins, NEA, etc.
 - Can “fully-fund” an Indian company for a fraction of a US company
- VC Investment in India:
 - \$1B (2004), \$2.5B (2005), \$5B (1st half 2006)
- M&A activity:
 - \$18B (2005), \$20B (1st half 2006)

Areas of Strong Interest



- Mobile/Telecom:
 - 6M new subscribers PER MONTH, 25,000 new cell sites to be installed PER YEAR
 - Value added wireless solutions (e.g. voice SMS)
 - IPTV rollout
- Internet/IT: Digital media
- Biotech/Pharma/Medical devices
- Healthcare services - BPO
- Renewable energy - solar, biodiesel, water
- Banking , infrastructure and security
- Consumer - 40 new malls in Delhi by 2008, >22M sq ft

TiEcon Observations



- Indian Entrepreneurship is flourishing
 - One new billionaire created each month in past 24 months
- Opportunities are everywhere:
 - Market development for Canadian companies
 - Partnering to access the burgeoning Indian market
 - Market development for Indian companies
 - Partnering to access the Canadian/US market
 - M&A - Indian companies aggressively looking for North American acquisitions
- Maturity of Indian tech companies
- Scramble to service all demographics

TaraSpan's Trip Result



- Three contracts being assessed and expect to be signed in next two weeks
- Three potential M&A opportunities in both directions
- Expect to travel 1 –2 times a month to India over the next 6 months
- Business happens because the right people are driving opportunity.

Action Items



- Local presence is not a must to doing business but face to face is absolutely necessary to build trust
- Indian corporates prefer Canadian partners
- Ensure that you are committed to long term strategy
- Work with local Canadian Trade Commissioners in Delhi and Bangalore to access decision makers

Thank You



TaraSpan Group Inc.
37 Clarence Street, Suite 400
Ottawa, Ontario, Canada
K1N 5P4

mike.manson@taraspan.com

raj.narula@taraspan.com