



THE GLOBAL ISSUE

BLOOMING INDIA

How Western lawyers have opened a back door to India's surging legal market.

PLUS

- Is outsourcing the future?
- Peter Schuck's field guide to local customs
- The Global 100: Ranking the world's top-grossing firms

Reed Smith's
Sanjoy Bose



Doing business in *India* is not for the faint of heart (or stomach). But stern practice rules haven't deterred Reed Smith's *Sanjoy Bose*.

BY NATHAN KOPPEL

Nation *Builder*

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T'S A SATURDAY IN AUGUST, and Sanjoy Bose is glimpsing the future of India from the backseat of a chauffeur-driven Mercedes. The Reed Smith partner is based in Washington, D.C., but spends much of the year in his native India, putting together deals. He is currently about 15 miles west of New Delhi, in a suburb called Gurgaon, which translates as "the village of gurus."

Today, though, spirituality is little in evidence. The dominant motif of Gurgaon is glass and concrete, as in glass skyscrapers, upscale apartment buildings, and shimmering shopping malls with digital billboards in the style of Times Square. Everywhere, as far as the eye can see, construction cranes hover above the emerging skeletons of still more office towers and apartment buildings.

Here, as throughout much of India, the growth has been spurred by outsourcing. American Express Company has a call center in Gurgaon, for example, and International Business Machines Corporation recently acquired a local business process outsourcing facility. Industry has come here because New Delhi, with its stately government buildings and English roundabouts, has little prime real estate to offer.





Straddling the roles of banker and lawyer has allowed Sanjoy Bose to make deeper inroads into the Indian business community.

PHOTOGRAPHS BY BEN BAKER



The joint venture arrangement allows *Bose and Tagore* (right) to do deals without having to worry about the country's sticky foreign-lawyer *practice restrictions*. After Bose-the-banker breaks the ice, he offers to help Indian companies better understand the need to hire top legal counsel.

Most of the referrals go to *Reed Smith*.

Inevitably, Western lawyers have also come to Gurgaon. Today, Bose is on his way to the Golden Greens Golf & Country Club, a new 18-hole course on the outskirts of the city. The club's developer, an Indian steel producer, hopes to build million-dollar villas on his course to cater to Gurgaon's newly rich. He has hired Bose to help arrange financing for the venture. The attorney is anxious to see the club's layout, but, at present, it looks like he'll never make it there.

The Mercedes is stuck in traffic on the narrow, rutted road that connects New Delhi to Gurgaon. Pink pigs and shirtless boys scamper in shallow, roadside ditches. Cows wander the road's median, swatting at flies with their tails. Occasionally, they venture into traffic. India is

like this: Even at its most developed, it always seems at best a half-generation from real modernity. Bose is buried in his BlackBerry, scrolling, slowly, through a queue of e-mails. The 40-year-old lawyer is nearing the end of a weeklong business trip. He has crisscrossed the country, meeting clients in Mumbai (formerly known as Bombay), Bangalore (India's outsourcing capital), and New Delhi. The pace has been grueling—too much so at times for Bose, who is battling a mysterious virus that he contracted several days earlier—but the trip has offered an enticing glimpse at the opportunities available to go-getters in this suddenly deal-happy country.

Aspiring lawyers, though, beware: India is not for the faint of heart.

Clogged roads, dirty, chaotic airports, and spotty telephone service are just the half of it. Under India's Advocates Act, 1961, only Indian citizens who graduate from accredited Indian law schools can practice law in the country. Foreign law firms are also currently barred from opening law offices in the country, even if they are staffed entirely with Indian lawyers [see "Shadow Practices," page 90].

But global law firms are a persistent bunch, and, inevitably, they have found ways to get a piece of the world's fourth-largest economy. English and American lawyers have long represented foreign companies investing in India as well as Indian companies doing domestic and overseas deals. This sort of work is entirely permissible, so long as the lawyers aren't in India when they are doing it. But to build vibrant India practices, lawyers must be on the ground there. So, firms are blazing ahead, dispatching their lawyers to navigate the country's rugged byways, in search of the next Indian Trammell Crow or IBM.

From clogged roads to chaotic airports: Even at its most developed, India seems a *half-generation from real modernity.*

R EED SMITH IS ONE FIRM THAT HAS MOVED QUICKLY and devised innovative strategies for staking a claim. The 1,000-lawyer firm, headquartered in Pittsburgh, has landed a roster of high-end Indian clients, from industry titans to banks and real estate developers. It has five partners who routinely work on India projects. But, more unusually, it has also formed a joint venture with a financial consulting firm that specializes in Indian deals and refers work to Reed Smith.

The partnership was the brainchild of Sanjoy Bose. He was born in Bombay to a prominent Indian family. His great-uncle, Subhas Chandra Bose, was the founder of the Indian National Army and a catalyst for India's independence from Great Britain. Today, 60 years after his death, he is considered one of the country's foremost political figures. Sanjoy Bose was educated in the United States, graduating from William & Mary School of Law in 1992. Bose's goal was to practice international law with a focus on India. His timing couldn't have been better. In 1991 India made its first major strides toward liberalizing its economy through privatization and by partially opening its doors to foreign investors. Western companies rushed in, and so did their attorneys.

Bose's legal career developed at a rapid pace. In the nineties, he served successive stints at CMS Energy Corporation in Dearborn, Michigan; Winthrop, Stimson, Putnam & Roberts (now Pillsbury Winthrop) in New York; and Akin Gump Strauss Hauer & Feld in Washington, D.C. At each stop, he got the rare privilege as a young lawyer to travel the world (including many trips to India) putting together power projects. In 1999, only seven years after graduating from law school, Bose made partner at Akin Gump.

Things were good, but Bose had higher aspirations: He wanted to be an architect of deals, not just their technical scrivener. Last year, Bose was offered the chance to fulfill that dream when GFS Group, a project-finance consulting firm, asked him to serve as its president. GFS advises Indian companies on how to structure projects so that they are bankable. It then helps clients secure financing. Bose was excited by the opportunity but wasn't ready to abandon his legal career altogether. He proposed an arrangement in which he would work part-time as a lawyer at Akin Gump and part-time as president of GFS. The plan fell through when he and the firm couldn't agree on how to structure the relationship, says Bose.

That is when Reed Smith entered the picture. In October of 2003, the firm approached Bose about joining its project team. Bose said that he would consider it if the firm bought into his GFS vision. Reed Smith was receptive, according to Michael Pollack, a securities partner and director of strategic planning at the firm. GFS had a solid roster of

Indian clients, he says, and the firm was impressed with Bose. "It was not that tough a sale," says Pollack.

By March of this year, Bose had moved to Reed Smith as a partner, and the firm had entered into a joint venture with GFS. Reed Smith now pays Bose a partnership salary, even though he spends about 80 percent of his time on GFS matters. Reed Smith also subsidizes much of Bose's travel to India when he is there on GFS business, and the firm allows him to claim as much as 25 percent of GFS's fees (Bose's share declines on larger deals). In return, Reed Smith receives 15 to 40 percent of GFS's fees, and a healthy supply of legal business.

Bose believes that GFS has enabled him to make deeper inroads into the Indian business community than he could as a mere lawyer. Many of GFS's clients, he says, are not used to working with American



law firms and paying \$500-per-hour legal rates. These clients, he adds, can more easily stomach GFS's success-based fees, which range from 0.6 to 2 percent of a deal's size. After GFS has broken the ice, Bose says that he can then help Indian companies better understand the need to hire top legal counsel. Most of GFS's clients, he adds, use Reed Smith for their legal needs. "It's like I'm building a captive [legal] client base," says Bose.

GFS also gives Bose cover to do deals in India without having to worry about its sticky foreign-lawyer rules. In its engagement agreements, Bose says, GFS spells out that it is not acting as legal counsel. Still, what constitutes lawyering can get fuzzy. GFS, for example, drafts financing plans and term sheets—a task usually done by bankers but sometimes taken on by lawyers. If Bose were strictly an attorney working on such matters in India, he would run afoul of the Advocates Act. "GFS clients treat me like a banker," he says.

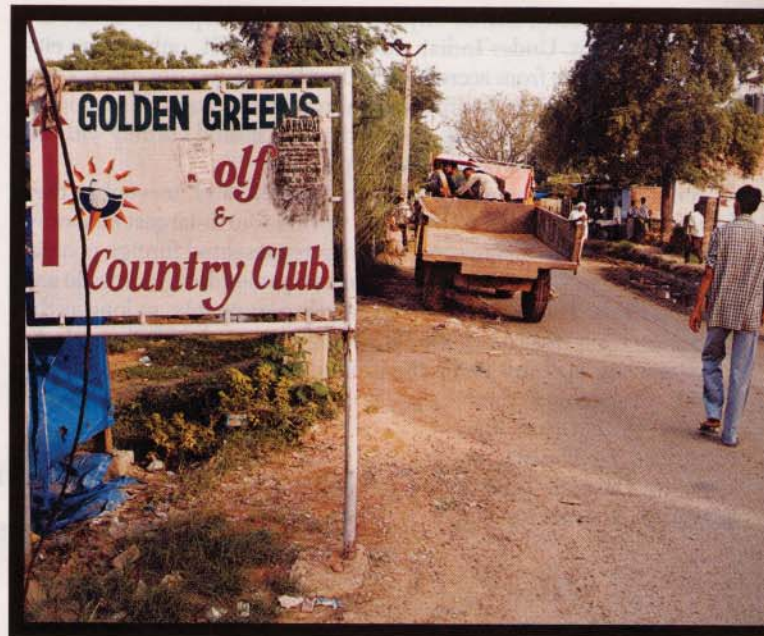
In late August, Bose-the-banker held sway in India. He had arrived in Mumbai, the sprawling financial capital of India, on Sunday, August 22. It was the heart of monsoon season, when the skies routinely open up in the afternoon for an hour's long pounding of rain. Bose was ensconced at his normal haunt—the luxurious Taj Mahal Palace & Tower Hotel, located next to the city's famous arched landmark, the Gateway to India. The hotel is arguably the city's premier address, both for social and professional networking. On this Sunday, the lobby was crawling with the usual throng of international business travelers as well as a more seasonal procession of Middle Eastern families, who vacation there during the monsoons for the novelty of seeing downpours.

Bose jumped right into the fray. After freshening up, he donned a navy sport coat and cream-colored slacks and retreated to The Chambers, a private club on the second floor of the hotel. He was there to meet the patriarch of a family conglomerate that is involved in agriculture, manufacturing, biotech, and other pursuits. Indian industry is dominated by family-run enterprises that often span a dizzying array of product lines. The club was empty save for the Bose table, which attracted considerable fawning from the tuxedoed waiters.

Bose was hired to help arrange financing for a

golf club and resort development in a New Delhi suburb.

Once past the entrance, the most notable feature of the course is its *immaculate condition* and incredible stillness. With no exhaust, beggars, or roving animals, the *cacophony of India* has been put on hold.



The agriculturist, who asked to remain anonymous (as did most of GFS's clients), has hired GFS to help him secure financing from an overseas lender. He is embarking on an expansion plan and hopes to vault from a top-ten position in his market niche to the top five. Indian companies are eager to tap foreign lenders, because they generally offer more favorable interest rates than Indian banks. Foreign lenders, meanwhile, are increasingly comfortable doing business with Indian companies. This has created a healthy source of business for Western law firms, and GFS as well.

Tonight, Bose talked shop for a brief spell. He said that foreign private equity investors were interested in funding the expansion plan, but that they would demand that first the client take the company private. The client said he should not have any trouble convincing most of the company's shareholders to sell back their stock. In short order, the conversation turned casual, perhaps consciously so; Bose's theory is that business in India must begin with a heavy dose of informal relationship-building.

The following day, Bose met at length with the client to hammer out the details of the financing. He followed that deal with an impromptu Tuesday breakfast meeting with the head of Chambal Power Ltd., an Indian energy company. The executive had learned Bose was in town, and he wanted to discuss a renewable energy project the company was considering. What was supposed to be a short meeting lasted for hours and resulted in Chambal offering GFS an advisory role on the project. Later that day, Bose met with the head of a large steel company that had hired GFS to arrange foreign financing. That piece of business, in turn, begot another unplanned meeting with the CEO of a large Indian bank, who was one of the minority lenders on the steel financing. The CEO wanted to see if GFS could work with the bank on future matters.

"Every trip to India is like this," Bose said later that night. "You





come here for two or three meetings, and then it explodes from there.” He was slumped in a deck chair in an outdoor café at the Taj Mahal hotel. Seated next to him was Sreejit Tagore, who heads up GFS in India. Like Bose, Tagore comes from a prominent family; his great-uncle, Rabindranath Tagore, was a Nobel-laureate poet and playwright. Tagore is small and bespectacled, with the earnest, proper manner of a college professor, an image offset, slightly, by his devotion to a wireless gadget that bleated out a steady stream of calls and e-mails. The gadget was now at rest, and Tagore spoke quietly about Mumbai real estate with a local employee of New York real estate giant Cushman & Wakefield, Inc. GFS is working with Cushman on various Indian real estate ventures.

As is typical in monsoon season, the palm trees surrounding the hotel pool rustled in the cool night wind. Normally, Bose looks younger than 40 and exudes a youthful, carefree exuberance—a product, perhaps, of the fact that he is not married, has no children, and spends much of his life five-star-hotel-hopping across the globe. His vaguely Continental accent and pastimes—jazz, collecting art, vacationing at his parents’ house in the south of France—further solidify his membership in the jet set.

At the moment, though, Bose looked like he wanted nothing more than the comforts of home. He said that he felt nauseous and exhausted. (Before arriving in India he had been to London and Sri Lanka on business.) Bose was due to fly to Bangalore the next day to meet with a real estate developer but worried that he was coming down with something. He admitted that he was never careful enough about what he ate and drank in India, nor did he ever bother to get the vaccinations that are recommended for foreign travelers. “I don’t have the time,” he said. By the next morning, he was feverish and bedridden. Later that evening, he hit bad traffic on the way to the airport and missed his flight to Bangalore, the last one scheduled that day.

MOST FOREIGN DEALMAKERS WITH BUSINESS in India are familiar with Bangalore. Until recently, it was known mainly as a college town and retirement community whose key attractions were a moderate climate and relative lack of pollution. But thanks to a bountiful supply of college graduates, a modest wage scale, and generous tax breaks, Bangalore has come to be, arguably, the world’s outsourcing capital. This development has fueled a real estate boom, and Bose was in town hoping to capitalize on it.

After landing at the airport on Thursday, August 26, he stopped at his hotel for a short rest. He had started a cycle of antibiotics, but he had a 102-degree fever and felt lousy. By noon, he had roused himself from his bed and set out to visit a 100-acre plot of land about 15 miles outside of town. The land is owned by an Indian doctor, who runs nursing homes across the country but is looking to diversify with a country club/resort development in Bangalore.

As Bose approached the site, his mood improved. With its lush vegetation, deep gorges, and views of the surrounding Nandi foothills, the property reminded Bose of his beloved Provence. It was a perfect setting for development, Bose thought, especially considering that the new Bangalore airport was due to be built only about five miles away.

Unfortunately, after a short driving tour of the land, the doctor wanted to press on. He owned another 100-acre plot, closer to the hills, which he felt might be a more suitable location for his project. Bose was certain the present spot was ideal. Plus, he felt like he might collapse. Discreetly, Bose asked his colleague Tagore whether they could cut out. Not a chance, Tagore said. Indian hospitality demanded that they visit the second site. So, Bose, Tagore, and a New Delhi-based Cushman & Wakefield employee, who was preparing a market report on the development, jumped into a Tata Safari SUV and followed the doctor up a steep and bumpy dirt road—what Indians call a *kacha*.

ECONOMIC ENGINE

POPULATION	1.1 billion
WORKFORCE	400 million
GDP	\$603 billion
LARGEST INDUSTRY	Services (51 percent of GDP)
LABOR FORCE	Agriculture 60%; industry 17%; services 23%
EDUCATION	2 million college graduates a year
ANNUAL EXPORTS	\$15 billion in technology and software

At the second property, Bose gamely followed the doctor on foot for a few minutes before retreating to a tent that had been set up on the land. When the rest of the group arrived at the tent 30 minutes later, Bose was sprawled out on the ground in his blazer and khakis. His temperature had spiked again, and he was trying to rest. The doctor looked at him like he was insane. Fortunately, though, being a doctor, he happened to have some medicine handy. He gave Bose a dose of erythromycin and paracetamol, which seemed to temporarily revive the ailing Bose.

The next day, Bose sat in the lobby of Le Meridien Hotel in Bangalore, looking vastly improved. He was excited about the Bangalore real estate venture. “This could be a very high-end country club,” he said. There was a possibility, he added, that GFS would later become a part owner of the property. He said his hope was that GFS would start investing in more projects and evolve into a private equity firm. “A smaller version of The Carlyle Group,” he proposed.

Bose also took stock of his current India trip. He expected that the deals he had worked on during the week would generate more than \$2 million in fees for GFS and spin off about \$1 million in legal work for Reed Smith. The trip had also opened up some promising future opportunities, Bose said. The Cushman representative, who had visited the Bangalore property, proposed teaming up with GFS on future real estate projects: “high-tech parks, resort properties, integrated commercial/residential townships,” said Bose. As he clicked off his current deal flow and future aspirations, Bose radiated a master-of-the-universe smugness. He admitted that he felt like he had finally arrived as a real dealmaker. “Other than the fact that I get sick sometimes,” he said, “this is my dream.”

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ON THE FOLLOWING DAY, A SATURDAY, BOSE was back to being a lawyer, at least for a brief spell. He flew out of Bangalore at 7:30 A.M., arriving in New Delhi about two-and-a-half hours later. He took a taxi to the Hyatt to meet the CFO of Petronet LNG, Ltd., one of India's largest energy companies. Petronet was about to embark on some liquefied natural gas developments in India, and it was searching for project finance lawyers. Bose had scored the meeting through a banker he met on a GFS deal. The CFO was unfamiliar with Reed Smith, but Bose left the hour-long meeting feeling that he had done a good job selling the firm. (This sort of networking is not prohibited by the Advocates Act.) If Reed Smith landed the assignment, Bose predicted, it could easily pocket \$5 million in legal fees. (At press time Petronet had not yet chosen its project counsel.)

After the business pitch, Bose got back into the GFS Mercedes and headed to the Golden Greens resort. He arrived at about 3 P.M. The temperature was still in the high nineties, and the golf course was practically empty. After grabbing a sandwich at the clubhouse overlooking the eighteenth green, Bose climbed into the passenger side of a golf cart, and a Golden Greens sales agent gave him a tour of the course. It was in immaculate condition, with undulating fairways and greens that looked like they were maintained with tweezers. Rail-thin men wearing turbans stood on most of the greens, spraying mists of water in alternating directions. Easily the most incredible feature of the course was its utter stillness: no motorcycle engines or car horns, no exhaust, beggars, or roving farm animals. The cacophony of India had been put on hold.

Still, Bose was not satisfied. The developer had proposed putting all

of the resort's homes in a rectangular block, far removed from the fairways. When Bose arrived back at the clubhouse, he told his colleague Tagore that the home buyers would want more privacy and would also want to be nearer to the course. And foreign financiers, he continued, would be far more comfortable backing the development if it was closer in layout to top developments in the West.

On the drive back to New Delhi, daylight was starting to fade. Gurgaon's malls and restaurants seemed even more congested than on the

Bose glanced at the Gurgaon skyline. "It's like watching a *Third World* country *become developed* before our very eyes," he said.

drive out. In concept, Gurgaon is akin to Tyson's Corner, Virginia, or some other modern suburban community. But, at the moment, it more closely evoked Las Vegas: a sparkling, audacious development that had sprouted, seemingly, overnight, in the middle of nowhere. Bose glanced at the newly constructed skyline, looming over his right shoulder. "It's like watching a Third World country become developed before our very eyes," he said.

Later that night, Bose flew back to Mumbai and then on to London to meet with bankers. In mid-September, after a month's absence, he returned home to D.C. Back in his office, he said he was thrilled to finally get a chance to pay bills and catch up on paperwork. And to visit some doctors. Bose was still trying to get to the bottom of the lingering cough and chest congestion that had taken root in India. "I hope to have three weeks here in which I don't travel," he said. "I need to deal with my health."

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