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Ex-Infosys team raises funds for outsourcing co

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BASAB Pradhan along with a team of ex-employees from Infosys technologies have raised funds from US based hedge fund Maverick Capital and Boston based Charles River Ventures for a business process outsourcing company. Mr Pradhan who was earlier the head of marketing at Infosys had left the firm in August '05 to start Gridstone, a firm focused on providing US based analysts with research. Mr Pradhan, along with five others from Infosys,—namely P R Ganapathy, Ramesh Gopalan, Sandeep Shroff, and Nitin Gupta—started Gridstone with seed funding from angel investors. Now, the company has raised a major round of funding intended to last till it turns cash positive.

Gridstone has developed a web based platform for equity research, which aggregates all data and adds information over and above that available in the balance sheet. For instance, Gridstone plans to scour all the announcements and press releases and transcripts of analyst conversation and organise them according to subject and relevance. The technology for the platform development has been outsourced by the firm, but it has hired a team of 25 analysts in Mumbai to build the data base.



According to Mr Pradhan, who is the firm's CEO, "We did not want to become another KPO or BPO, we wanted to create business model which can build and generate IP. The revenues in Gridstone will not be dependent on per hour or number of people. It will be subscription model for the platform." "Currently, there is a gap in the market as the sales research industry is going through turmoil. Most of the funds on the buy side want to do their own research but are not able to do so. Our platform will bridge the information gap for them," according to Mr Pradhan.

Gridstone is trying to create a position for itself as a product, offering services between the analyst firms and other BPO firms doing data crunching. "We have raised enough funds to ensure that we are able to be cash flow positive, in the next two years. We should be able to have at least 250 people by the end of two years, and a platform which is populated with data for atleast 700 US companies," according to Mr Ganapathy. "Almost 80% of the institutional funds are invested in the top 700 US companies. We want to cover this universe as a starting point. In the last three months we have populated the tech and IT sector universe in US," Mr Pradhan said.