



DOING BUSINESS IN INDIA

PIONEERING EXPERIENCE OF RUSSIAN COMPANIES



Evgeny **Griva**



Pavel **Seleznev**



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Pavel Seleznev

Dean, Faculty of International Economic Relations and Professor of Political Science at the Financial University under the Government of the Russian Federation. Chairman of the University's Council of Young Scholars. Editor-in-Chief of the English-language academic journal *Review of Business and Economics Studies*, indexed in Scopus. Expert Council Member of the Higher Attestation Commission (Russian Ministry of Education and Science). PhD in Political Science. Author of *India's Gravity*.



The book "Doing Business in India: Pioneering Experience of Russian Companies" by Evgeny Griva and Pavel Seleznev, which you are holding in your hands, is a meaningful practical work that allows you to better understand the specifics of doing business in India.

For the energy sector, which is especially important at the current stage of global cooperation, the key role is played by building sustainable international ties, understanding the partner and the specifics of cross-cultural interaction.

The expert opinion presented in the book will contribute to strengthening Russian-Indian cooperation and creating a solid foundation for the implementation of joint projects.

Sergei Tsivilev

Minister of Energy of the Russian Federation

Relations between Russia and India continue to develop in the spirit of strategic partnership, grounded in mutual respect and trust. With each passing year, our countries grow more interested in one another, and engagement deepens: from the level of heads of state and regional administrations to the business community. Much work lies ahead: expanding trade in goods and services, advancing joint investment projects, and supporting companies in entering each other's markets. This demands a clear understanding of market needs, project conditions, and the cultural particularities of Indian partners, and this book will help achieve that.

Maxim Reshetnikov

Minister of Economic Development of the Russian Federation

"Doing Business in India" is written with clarity and deep affection for a country that is one of Russia's key strategic partners. As part of our pivot to the East, the Financial University is actively expanding academic and research collaboration with India's leading universities and research institutions. We seek to train specialists who are not only well-versed in economic and financial matters but who also possess a deep understanding of the history and culture of our partner country. I am confident that this book will prove an invaluable resource for students, particularly those seeking to contribute to the strengthening of the Russia-India business dialogue.

Stanislav Prokofyev

Rector, Financial University under the Government of the Russian Federation

India is a civilisation in its own right, with a unique cultural code and distinct approaches to business and economic management, and the economy, still poorly understood by Russian entrepreneurs. Understanding these features is unquestionably key to success. It may be gained through trial and error or by learning from existing best practices. The book by E. Griva and P. Seleznev offers precisely such a distillation of valuable experience, accumulated and synthesised by the Russian Trade Representation in India and Russian businesses. It arrives at a timely moment and is particularly relevant for Russian entrepreneurs today.

Sergey Cheremin

Minister, Government of Moscow

Head of the Department for External Economic and
International Relations of Moscow

The book by Evgeny Griva and Pavel Seleznev reads easily and naturally. I have visited India several times to perform, and each time the country impressed me with how unlike any other place it is. But I never had the opportunity to immerse myself more deeply – to grasp the full richness and diversity of its Eastern colours. Then I came across this book by my friend Evgeny Griva. I read it in a single sitting. I can say with confidence that it is engaging, relevant, and offers essential guidance on how to navigate the business environment and build relationships here. I am certain it will be valuable not only to business professionals, but to everyone “heading East”. In any case, in my own efforts to promote Russian culture and world music in India, I will be drawing on the experience of Evgeny Griva and Pavel Seleznev.

Igor Butman

People's Artist of the Russian Federation

Head of the Moscow Jazz Orchestra

Business Council Member, Russian Trade Representation in India

Too often, we interpret the actions and decisions of our partners, counterparts, or even casual acquaintances through the lens of our own experience, knowledge, temperament, upbringing, and culture. And all too often, we get it wrong, missing out on harmony in our relationships or profits from deals that never materialise. So what are the chances of truly understanding a culture, way of life, and mindset that feels almost alien, if we continue relying on the same assumptions, especially when the country in question is unlike anything we've ever encountered?

Evgeny Griva and Pavel Seleznev's book, written with humour and in an engaging, accessible style, is the ideal companion for a flight from Moscow to Delhi or Mumbai. It prepares you for the fascinating, unfamiliar, and at times even startling aspects of India, shedding light on the reasons behind these cultural particularities and offering practical advice on how to feel confident and at ease in an environment so radically different from our own. It helps readers understand what drives their Indian partners, what they prioritise, and how they approach business and decision-making, thus making an invaluable contribution to the success of new business relationships in one of the world's largest and fastest-growing markets.

I wish you every success in seizing the many opportunities India has to offer – and great enjoyment in discovering its extraordinary culture, with this guidebook in hand.

Pavel Oderov

Deputy CEO for International Business, Gazprom Neft PJSC,
Member of the Management Board

Imagine – you are India. A civilisation with thousands of years of history, built on deep-rooted cultural and moral traditions that shape and organise the lives of nearly 1.5 billion people. The world's fastest-growing and youngest country by population, with record-breaking economic growth driven by domestic demand. Your foreign direct investment is surging: in the past year alone, 162 countries invested across 60 sectors of your economy.

And yet, despite your success in international economic relations, you hold your history and traditions in the highest regard. Brotherhood and friendship are more than mere words to you.

The relationship between Russia and India has always been distinctive, and today it holds the potential to play a truly strategic role in shaping global geopolitics, advancing foreign trade, and opening up new horizons for cooperation. To make this possible, one must understand one's partner and treat their values and history with respect.

Drawing on their own experience, the authors offer insights that will help readers navigate India's cultural, business, and other specificities, particularly for those looking to start or expand operations there. This is especially relevant for businesses in Russia's Far East, which is rapidly becoming a gateway to South Asia and the Asia-Pacific.

Nikolai Zapryagaev

CEO, Far East and Arctic Development Corporation

Evgeny Griva and Pavel Seleznev's book is a page-turner. Drawing on their first-hand experience, the authors offer valuable insights into India's culture, history, business etiquette, and HR practices. Their aim is not a conventional guidebook but to equip those planning to work with Indian partners with essential knowledge about the country and its customs.

India's role as a trade partner has grown significantly in recent years, with export flows once destined for Europe now redirected there. It has also become one of the world's most populous countries – and, as a result, one of the largest and fastest-growing markets. It is no longer a market that can be overlooked.

I am confident that this book will support Russian businesses in gaining a foothold in the Indian market and, likewise, encourage friendly Indian companies to pursue trade and investment in Russia.

Dmitry Yalov

Deputy Chairman of the Government of Leningrad Region

This book is the result of deep reflection and the careful systematisation of years of work by our talented compatriots in a country that may still feel unfamiliar to many of us – ancient, yet strikingly modern and successful. Like explorers, they stepped into another world, another tribe, and learned its rules, customs, and codes of conduct. They built thriving businesses and lasting professional relationships, and now offer us the opportunity to avoid the many missteps that often arise from cultural differences. They invite us to become co-creators of ambitious joint projects and shared accomplishments, helping build new social bridges with a truly friendly nation.

Konstantin Abramov

Chairman, Public Council at the Ministry of Labour and Social Protection
CEO, VCIOM Foundation

"Dear Alexander Mikhailovich, good afternoon!

I hope you are well. I'm very grateful for the conversations we shared over the four years I spent in India.

After returning, I wrote a book about India and am now preparing it for publication. I wanted to share it with you and truly hope you'll find it of interest. I would welcome any comments you might have.

23 November 2016, 08:57."

"Dear Zhenya, warm greetings.

Thank you for your note. I'm glad to see you're managing to juggle so many things at once – keep it up! I've read the book. It's written in an engaging and lively manner. I fully share your observations and conclusions, especially on the topic of negotiations.

May I ask your permission to forward it to our embassy's Indologists for reference? I believe they'll find it very useful.

My best to your wife. Wishing you all the very best.

Bye! AMK

23 November 2016, 21:29."

From email correspondence with
Alexander Kadakin
Ambassador Extraordinary and Plenipotentiary
of the Russian Federation
to India, 1999–2004 and 2009–2017

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This book is a practical guide for those seeking to do business and build partnerships in a country as complex and multifaceted as India. Firmly rooted in real-world application, the book offers clear, accessible insights into how to succeed in the Indian market, taking into account the cultural, historical, and psychological features of Indian society, as well as the cross-cultural dynamics of working with people in this environment. The book will appeal to businesspeople, managers of all levels, scholars of South Asian studies, and students of international relations, history, psychology, and sociology – and to anyone eager to deepen their understanding of India.

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WELCOME NOTE

Dr. Gaurav Gupta

Founder President,
Global Trade & Technology Council (India)



It gives me immense pleasure to extend my heartfelt congratulations on the forthcoming publication of this remarkable book authored by my dear friend, Mr. Evgeny Griva, Deputy Trade Commissioner of the Russian Federation in India. His deep personal engagement with India and his scholarly understanding of its societal, cultural, and economic foundations are vividly reflected in this compelling work.

At a time when the global order is undergoing a profound transformation, this book could not have come at a more opportune moment. The emergence of a multipolar world, rooted in regional partnerships and strategic sovereignty, has reinforced the historical bonds between India and Russia. Our two nations—connected by a relationship that is time-tested, resilient, and deeply respectful—now stand as natural allies in promoting a balanced, inclusive, and cooperative world order.

This book captures that very essence. It is not merely a business guide; it is a cultural bridge. Mr. Griva's reflections, enriched by his experiences at the Russian Trade Representation in India and through decades of personal engagement with Indian institutions, offer practical insights for Russian entrepreneurs, diplomats, and scholars seeking to understand the Indian mindset, navigate its complex diversity, and succeed in its vibrant market. The work is especially valuable for today's generation of leaders who must balance commercial objectives with cultural intelligence.

As someone deeply invested in India–Russia cooperation, I have witnessed Mr. Griva’s sincerity and commitment toward strengthening bilateral ties, not only through official mechanisms but also through personal diplomacy and people-to-people engagement. His initiative to publish this book in India exemplifies the growing spirit of mutual respect and intellectual exchange between our countries.

The Global Trade & Technology Council (India) is proud to support such initiatives that promote cross-cultural understanding and economic collaboration. We look forward to hosting the book’s launch across our platforms, including at high-level trade and cultural forums, and to featuring its essence in our flagship publication GTTC Insights, which reaches policymakers, diplomats, investors, and business leaders across the globe.

On behalf of the Indian trade and diplomatic community, I welcome this exceptional contribution. May this book serve as a trusted guide for those journeying into India and as a symbol of the enduring friendship between our two great nations.



FOREWORD: DELVING INTO INDIA'S BUSINESS PRACTICES

Alexey Maslov

Professor, Director of the Institute of
Asian and African Studies
Moscow State University



In the modern era, India has re-emerged as a powerful nation, representing a renewed "old giant" on the world stage. This nation has experienced remarkable progress, achieving significant advancements in its economy, technological capabilities, and its ability to attract substantial capital investments. This particular nation has successfully integrated time-honored customs and practices with cutting-edge advancements and contemporary innovations, resulting in a unique and dynamic cultural landscape. Given its rich history, vibrant culture and rapidly growing economy, it comes as no surprise that India is a focal point of interest for politicians, business leaders and cultural influencers from around the globe. The country is characterized by its progressive mindset and openness to new ideas while simultaneously maintaining a strong focus on future development. Ironically, despite its significant progress and global presence, this country remains shrouded in mystery and is not widely understood by international communities.

In the West, a significant portion of the population harbors misconceptions and idealized notions about India that are far from reality. I've encountered numerous individuals who claim that India's diverse state and territorial structure, with each possessing unique traditions, laws, and national characteristics, creates significant challenges in reaching consensus and makes working there incredibly difficult. Conversely, some argued that working in India is remarkably straightforward due to the extensive

prevalence of English as a spoken language. There is a complete understanding amongst everyone and they are all prepared to cooperate fully. I believe the true nature of the situation is far more intricate and multifaceted than initially perceived. In order to truly grasp India's national identity, its unique characteristics, and the intricacies of its interpersonal relationships, one must possess an intimate understanding of the country, gained only through first hand experience within its borders. In this sense, therefore, Eugene Griva's book makes an invaluable contribution towards fostering and establishing strong, positive relations with the nation of India.

In recent years, India has implemented various policies designed to attract foreign investment, and the positive effects of these policies are clearly evident. The initiatives underway include, first and foremost, the Make in India program, the development of special economic zones, and the robust economic growth currently being experienced in Gujarat, Tamil Nadu, and numerous other regions across the country. India's current ambition is to transition from merely being a large producer to establishing itself as a global leader in groundbreaking innovation, a shift that is clearly underway. The fact that the largest American, Japanese, and Korean manufacturers of microchips, computers, and cell phones have all entered the market today is not a coincidence, but rather a significant indicator of the industry's current trends and potential for future growth. In order to make it easier to do business in India, the country has developed a network of over 276 special economic zones that currently employ approximately 3,200,000 people. By the year 2025, the export of goods from Indian Special Economic Zones had already surpassed the impressive milestone of \$145 billion, a testament to the success of these zones. The Indian economy is experiencing a tremendous rate of growth, a truly remarkable achievement. The Kandla Special Economic Zone, situated in Gujarat, was responsible for generating an export value exceeding forty billion dollars.

In 2025, India's robust trade landscape featured 13 active Free Trade Agreements (FTAs), a testament to its commitment to international commerce, further enhanced by numerous ongoing negotiations focused on solidifying both bilateral and regional economic partnerships. In addition to other considerations, India is currently undertaking a comprehensive review of its existing investment treaties and preferential trade agreements, striving to harmonize them with the ever-evolving landscape of the global economy while maintaining a delicate equilibrium between safeguarding the interests of international investors and prioritizing the nation's own economic objectives.

To encourage the growth of high-tech manufacturing enterprises, India consistently implements policies that reduce barriers to entry, enhance operational flexibility, and expand market access opportunities. In certain areas of India, exporters enjoy a significant tax advantage, receiving complete exemption from income tax on export earnings and also benefiting from waivers on customs duties, excise taxes, and the goods and services tax (GST). Considering its current trajectory, India's economic advancement positions it as a leading Asian power actively seeking and welcoming international cooperation. However, concurrently, numerous intricate details and nuances warrant careful consideration. To begin with, I want to emphasize the importance of dedicating considerable time to fostering strong, amicable relationships with Indian entrepreneurs and business professionals, and this is something that I would like to list as a key point. In this particular context, the importance of maintaining harmonious relationships significantly outweighs any financial considerations.

Secondly, and equally important to giving advice or assistance, is the development of a strong listening capacity; learning to truly hear and understand what someone is communicating, rather than simply waiting for your turn to speak. Frequently, my Indian colleagues regale me with captivating anecdotes about their professional experiences, their embellishments of reality stemming not from a desire to mislead, but rather from a cultural inclination toward colorful storytelling. In the business world, it is essential to be able to distinguish between the myths and the realities.

Thirdly, building and maintaining long-term connections and friendships throughout India's diverse regions requires understanding the Indian national character, a crucial aspect of successful integration and networking within the country. Considering the fact that India is incredibly diverse, with its hundreds of distinct ethnic groups each communicating in a multitude of languages, it's impossible to provide a single, universally applicable method for effective communication with an Indian person. The exploration of India is a must due to its rich history and culture. This constitutes another extremely important piece of advice that you should take to heart.

Understand history: the history of a region, the history of a particular people, even a particular family. It is also important to pay attention to religious life. It may not affect business relations as much as in other parts of the world, but respect for religious and spiritual traditions, respect for India's spiritual history, is key to mutual understanding.

For another helpful tip, I would suggest working with various government agencies, particularly those located in different states or cities across the country. Indeed, India's economy, a vibrant and dynamic free market, is experiencing rapid and significant development. However, the state, encompassing local administrations, courts, and chambers of commerce, plays a crucial and multifaceted role in this process. To ensure a strong relationship, you must consistently maintain close contact, clearly conveying your intentions, and proactively scheduling more frequent visits to keep them informed about yourself.

Regardless of your circumstances, if you aspire to build a career in India, it is essential that you immerse yourself fully in the nation's culture and way of life, making it your true home. For decades, Eugene Griva has immersed himself in the meticulous study of India, demonstrating the depth and subtlety of a true practitioner. His professional experience includes successfully negotiating and closing numerous deals with prominent Indian corporations, in addition to his lecturing engagements at a dozen of the nation's top business schools. In addition to possessing invaluable experience and information, he has a unique ability to present complex material to readers in a clear, concise and captivating manner, making even the most challenging subjects accessible and interesting. He embodies the very spirit and essence of contemporary India, representing its multifaceted soul. On occasion, discussions about India, even among those with extensive knowledge, become unnecessarily intricate and difficult to understand for those not in the know. To my surprise, I discovered that a significant number of specialists haven't set foot in this nation for several decades, or their visits have been fleeting, resulting in their expertise being largely theoretical and not based on practical experience in the country. In contrast to others, Eugene possesses a unique and contrasting personality. Immersed in the intricacies of Indian culture and business, he is ready to discuss them openly and respectfully, yet without subservience, illuminating the nuanced art of interacting successfully within this nation.

Being a scholar in Asian studies, I always find Evgeny Grivas's works and lectures fascinating because he fearlessly delves into lesser-known aspects of Indian reality, shedding light on topics many others shy away from. He is very close to and familiar with the vibrant and diverse culture of India, a culture which continues to thrive in the modern era. In my considered opinion, this book stands out as one of the finest works exploring the intricate interplay of culture and business within the context of contemporary India.

INTRODUCTORY NOTE

Alexander Rybas

Trade Representative of the Russian Federation
to the Republic of India
PhD in Economics (Doctor of Economic Sciences)
Professor, Higher School of Economics



Dear Reader,

You are holding an expanded edition of Evgeny Griva's book on India, now co-authored with Pavel Seleznev. Three years ago, before I had even met the author, I read the first edition of "Magical India," which appeared hot on the heels of Evgeny Griva's assignment in Mumbai, India's business capital (formerly Bombay). The book was a light and engaging read.

The author set out to write a concise guide to India, free of academic jargon but grounded in the latest developments in economic thought, particularly in the field of cross-cultural management. The goal was to introduce readers to the country, or refresh their knowledge of it, as quickly as possible. Ideally, within the time it takes to fly from Moscow to Delhi. The author achieved this goal with distinction. The new edition, developed together with his co-author, builds on that foundation.

The book will undoubtedly be of value to Russian entrepreneurs, as well as to anyone involved in foreign economic activity who considers India an attractive market for their goods and services, or sees Indian businesses as partners in investment, development, and the mutual transfer of advanced technologies across various sectors of the economy. It will also resonate with a wider audience because of the way Evgeny Griva writes about India,

drawing on personal experience and blending healthy critical thinking with a nearly youthful affection for the Indian people and their culture.

India and Russia are bound by long-standing ties, built on many years of friendship and mutual affection between the peoples of both countries. These bonds are strengthened not only by the economic and political benefits of bilateral cooperation, or by a shared outlook on the principles of international relations, but also by a cultural affinity – something vividly expressed in the correspondence between the great Russian writer Leo Tolstoy and the spiritual father of modern India, Mahatma Gandhi.

Today, relations between Russia and India constitute a particularly privileged strategic partnership. Over twenty years ago, in October 2000, the Declaration on Strategic Partnership between the Russian Federation and the Republic of India was signed, marking the beginning of a new phase in bilateral relations and outlining the priority areas for their development.

In the field of trade and economic cooperation, the Declaration provides for:

- "...strengthening close cooperation through the Intergovernmental Russian-Indian Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation, as well as through other joint organisations of entrepreneurs and industrialists, with a view to expanding trade and economic ties;
- deepening and diversifying cooperation in sectors such as metallurgy, the fuel and energy complex, information technology, communications, and transport, including merchant shipping and civil aviation;
- further developing cooperation in the banking and financial sectors, and improving credit and insurance mechanisms to facilitate bilateral trade;
- creating favourable conditions for mutual investment and ensuring guarantees for its protection;
- simplifying customs and related procedures, and supporting the elimination of non-tariff barriers and the gradual reduction of tariff restrictions;
- establishing effective mechanisms for cooperation between Russian and Indian organisations with the aim of expanding bilateral trade in a sustainable and long-term manner;

- encouraging interregional ties between the two countries in order to strengthen trade and economic cooperation;
- facilitating travel procedures for entrepreneurs and business representatives from both countries.
- improving the quality of goods, including through supporting joint development and the mutual transfer of advanced technologies;
- making mutually beneficial use of new opportunities arising from global economic integration;
- deepening cooperation and coordination in international trade, economic, and financial organisations;
- jointly exploring the potential for establishing regional trade mechanisms involving third countries.”¹

Trade and economic cooperation between Russia and India is currently undergoing a phase of rapid expansion. In 2022, trade turnover between the two countries reached nearly \$40 billion, with Russian exports traditionally exceeding imports from India. Russia remains a net exporter.

A significant share of these exports to India consists of crude oil, coal, and mineral fertilisers.²

In addition to the high-demand Russian exports – including energy resources, machinery and equipment, precious metals and stones, and chemical products – several other areas of cooperation hold substantial potential. These include shipbuilding, aircraft manufacturing, the railway sector, metallurgy, medical equipment, digital technologies, waste processing, energy (integrated solutions), water purification, the forestry sector, advanced materials, and more.

At the same time, it must be acknowledged that the current level and structure of trade, as well as the pace of progress in complementary sectors of the two economies, still fall short of the real potential of Russian-Indian trade and economic cooperation.

¹ Declaration on Strategic Partnership between the Russian Federation and the Republic of India. Ministry of Foreign Affairs of the Russian Federation. URL: <https://www.mid.ru/tv/?id=1732761&lang=ru> (accessed 3 June 2023).

² A. Danielyan. The trade imbalance between Russia and India is growing rapidly. Delovoy Profil Group, 27 April 2023. URL: <https://delprof.ru/press-center/experts-pubs/disbalans-v-torgovle-mezhdu-rossiye-i-indiye-stremitelno-rastet/> (accessed 3 June 2023).

Unlocking this potential will require focused efforts in the following areas:

- Modernisation of the legal and regulatory framework. Work is currently underway on a Free Trade Agreement between the Eurasian Economic Union and India, aimed at creating equal market access conditions for Russian products in India. A Bilateral Agreement on the Promotion and Protection of Investments is also under consideration.
- Implementation of long-term cooperation programmes in science, technology, and innovation, particularly in the field of nuclear energy. This includes the construction of the Kudankulam Nuclear Power Plant and other new nuclear power stations in India based on Russian designs, as well as joint research on the peaceful uses of nuclear energy. Cooperation is also advancing in the oil and gas sector, guided by a roadmap developed by the Ministry of Energy of the Russian Federation and the Ministry of Petroleum and Natural Gas of the Republic of India.
- Development of competitive financial support mechanisms. These include expanding mutual settlement systems in national currencies; raising awareness among market participants of financial services provided by the Indian branches of Russian banks such as Sberbank and VTB; support measures offered by the Russian Export Center; the potential use of surplus Indian rupees to finance Russian investment projects in India; and prospects for Russian participation in India's privatisation programme.
- Establishment of reliable and accessible transport corridors to streamline logistics, reduce delivery times, and lower transportation costs. This includes the development of the International North–South Transport Corridor; the establishment of regular transport links between India and the Russian Far East, including the potential revival of the Chennai–Vladivostok maritime corridor; and the expansion of direct cargo air connections between major cities in Russia and India.
- Expansion of ties between the business communities of Russia and India, and greater awareness of available opportunities in both countries.

Many of these objectives rest on the shoulders of the state. However, effective foreign economic activity is only possible when business plays an active role. Russian–Indian cooperation offers ample opportunities not only for large companies but also for small and medium-sized businesses. Merchants must be enterprising! It is for this category of reader that the book by Evgeny Griva and Pavel Seleznev will be not only interesting but genuinely useful.

PREFACE

For readers interested in India and South Asia, I'm genuinely pleased to share the release of this long-awaited print edition. It's been a long road getting here. A few years ago, the book was already available online under the title "Magical India". Since then, the subject of doing business in India and navigating its cultural landscape has become even more relevant. When I first sat down to write, people often asked me: "Who is this book for?". Back then, there wasn't much interest in the South Asian region – not from the government, nor from the business world. But, as I've written before about Asia, there's a principle at work: "everything happens in God's time". There has been a political and economic pivot toward the East, and all eyes have turned toward "magical India": from federal and regional agencies to small, medium-sized, and major strategic businesses. The key question among interested parties is: how do we enter the Indian market the right way and succeed there? Unlike China, which we've come to understand reasonably well thanks to established ties, India still feels like a "black box" for Russian business. It was the growing demand for insight, combined with the urgency of the moment, that led me to revise and update this book.

My work at the Trade Representation of the Russian Federation in the Republic of India also gave significant momentum to this new edition. The office is at the forefront of Russia's economic transition and is undertaking an important and substantial task: establishing stable ties with the world's fifth-largest economy.¹ Thanks to this experience, I became familiar with the government's perspective on the development of Russian-Indian business relations. That viewpoint is also reflected in this edition.

¹ D. Migunov. A wide swing: India enters the top five global economies. Izvestia, 8 September 2022. URL: <https://iz.ru/1390952/dmitrii-migunov/shirokii-zamakhindiia-voshla-v-piaterku-liderov-mirovogo-vvp> (accessed 17 June 2023).

But more than anything else, it was people who played the most important role in shaping this book. I am sincerely grateful to my supervisor, the Trade Representative of the Russian Federation in India, Mr. Alexander Rybas, for the invaluable management experience he shared with me and for agreeing to write the foreword. I would also like to thank my colleagues at the Trade Representation; their names will be mentioned below. Working with this outstanding team and exchanging experiences allowed me to enrich the book with new substance and emotion.

One more important thing: none of this would have happened if I hadn't found a co-author, or rather, a true second author of what is, in essence, a new book (it's no coincidence that we decided to change the title). That person is my friend, Pavel Sergeyevich Seleznev, Dean of the Faculty of International Economic Relations at the Financial University under the Government of the Russian Federation. It was he who encouraged me to revise the material, and later added valuable economic analysis and cultural insight, turning the book from a set of memoirs into something closer to a practical guide. He also proposed publishing this version in a larger print run, so that it could reach a wider audience, everyone eager to study India or work in its market.

This new edition preserves the structure and chronology of the previous one, but adds observations made during my time at the Russian Trade Representation in India. I'm confident the book will be just as engaging to read, and now it contains far more new facts worthy of your attention.

I want to thank my wife, Viktoria, and our sons, Vladimir and Alexander, who have shared my love for India and have been true motivators and drivers of my return to the "Indian orbit." I dedicate this book to them.

Evgeny Griva



INTRODUCTION

I had been meaning to write this book for years. But something always got in the way: either I couldn't find the time, or I was caught up in a wave of cross-cultural shock and kept changing my attitude toward this "fairy-tale land." Sometimes it felt like the moment just hadn't come yet. And sometimes other reasons stood between me and the potential reader. But eventually, something inside me shifted. I had the feeling that now was the time to speak, to share what I had lived through and come to understand. Some internal force pushed me to begin. And as someone who's spent many years in the East, I can say this with confidence: it was a sign!

Years of living in Pakistan and India convinced me that you can't rush time. You can't treat something as serious as writing a book like a project with a deadline. You just have to go with the flow of life, and one day you'll hear that voice inside say, "Come on. It's time." That, I think, is one of the East's deeper truths, especially when you compare it to the West's obsession with structure and its urge to plan absolutely everything. But we'll come back to those philosophical contrasts later. And not just once.

It's clear to me now that the wait wasn't in vain. This is the moment to write about the East – and in my case, that means India. Why now?

We are living in a time of major geopolitical transformation, a reassessment of core values, and, accordingly, a reconfiguration of business priorities for Russian authorities and companies with interests in international markets. Several sets of factors have pushed our country to reorient its focus toward the East, specifically, toward South and Southeast Asia. (A brief clarification: I will be speaking primarily about South Asia, and more precisely about India, as the region's largest and most influential player.)



Economic factors

- Steady economic growth. According to estimates from India's Ministry of Finance, the country's GDP grew by 7% in the 2022–2023 fiscal year and is projected to grow by 6 to 6.8% in 2023–2024.¹
- Rapidly growing demand is driven by a rising middle class. By 2021, India's middle class had reached 432 million people; by 2047, it is projected to grow to 1.015 billion.²
- Rising demand in sectors that have long experienced oversupply in the U.S. and European markets.
- An affordable and, importantly, English-speaking labour force, which makes India one of the most attractive destinations for business relocation.
- Favourable demographics. Unlike Europe and North America, India remains largely unaffected by population ageing. It is one of the world's youngest nations, with 68% of its population between the ages of 15 and 64.
- A vast IT sector. India ranks second globally by number of internet users, with a total of 865.9 million as of late 2022.³
- Developed infrastructure. India ranks second in the world by total length of roadways⁴ and fourth by the size of its railway network.⁵
- A steadily improving level of education. The Indian government is actively combating illiteracy and aims to eliminate it entirely by 2030.⁶

¹ Economic survey 2022–23. Economic Survey, p. vii, 23. URL: <https://www.indiabudget.gov.in/economicsurvey/index.php> (accessed 28 May 2023).

² The rise of India's middle class [brochure]. People Research on India's Consumer Economy & India's Citizen Environment – ICE360. URL: <https://www.ice360.in/app/uploads/2022/11/middle-class-brochure-2022.pdf> (accessed 28 May 2023)

³ The Indian telecom services performance indicators, Oct–Dec 2022. Telecom Regulatory Authority of India, p. ii. URL: https://tra.gov.in/sites/default/files/QPIR_31052023_0.pdf (accessed 28 May 2023).

⁴ Roads and highways. Make in India. URL: <https://www.makeinindia.com/sector/roads-and-highways> (accessed 29 May 2023).

⁵ Railways. Make in India. URL: <https://www.makeinindia.com/sector/railways> (accessed 28 May 2023).

⁶ Padhna Likhna Abhiyan' to achieve goal of total literacy by 2030: Ramesh Pokhriyal. The Indian Express, 9 September 2020. URL: <https://indianexpress.com/article/education/padhna-likhna-abhiyan-to-achieve-goal-of-total-literacy-by-2030-ramesh-pokhriyal-6588957/> (accessed 28 May 2023).

- One of the world's largest financial reserves. As of April 2023, India's foreign exchange reserves stood at over \$580 billion.¹
- Favourable business environment. In the 2020 Ease of Doing Business ranking, India placed 63rd, well ahead of South Africa (84th) and Brazil (124th).² For reference, in 2015 India ranked 142nd,³ an impressive 79-place rise in just five years.
- Optimal level of economic competitiveness. In the 2022 World Competitiveness Ranking by the International Institute for Management Development (IMD), India was placed 37th, six positions higher than the previous year.⁴ It ranked ahead of Italy, Portugal, Turkey, Mexico, and once again outperformed Brazil and South Africa.
- Vast investment potential. Under the Make in India and Self-Reliant India programmes, the Indian government has identified 25 sectors offering investment opportunities totalling \$4.6 trillion.⁵ Within the government's Invest India agency, a dedicated Russia Desk provides comprehensive support to Russian companies.
- Active integration into the global economy and a strategic course toward stronger economic ties with Russia. Between 2015 and 2022, India's foreign trade grew from \$643 billion to over \$1 trillion.⁶ During the same period, its trade turnover with Russia nearly doubled: from \$7.8 billion to \$13.1 billion.⁷ At the onset of the crippling sanctions imposed on our country, it was India that took a principled stance in rejecting support for the economic boycott. In 2022, bilateral trade between the two countries grew 2.5 times compared to 2021, reaching \$35 billion.⁸

¹ Bulletin: Weekly statistical supplement. Reserve Bank of India, 14 April 2023. URL: <https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR677C63453F91BD4D68AA75CCFE3E4F7C05.PDF> (accessed 28 May 2023).

² Doing business 2020. The World Bank Open Knowledge Repository, p. 4. URL: <https://openknowledge.worldbank.org/server/api/core/bitstreams/75ea67f9-4bcb-5766-ada6-6963a992d64c/content> (accessed 29 May 2023).

³ Doing business 2015. World Bank Group, p. 4. URL: <https://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB15-Full-Report.pdf> (accessed 29 May 2023).

⁴ Country overview: India. IMD World Competitiveness Online. URL: <https://worldcompetitiveness.imd.org/countryprofile/overview/IN> (accessed 28 May 2023).

⁵ Sectors. Make in India. URL: <https://www.makeinindia.com/sectors> (accessed 29 May 2023).

⁶ Economic survey 2022–23: Statistical appendix. India Budget, p. 111. URL: <https://www.indiabudget.gov.in/economicsurvey/doc/Statistical-Appendix-in-English.pdf> (accessed 29 May 2023).

⁷ Russia–India economic relations: dossier. TASS, 10 April 2016. URL: <https://tass.ru/info/1637601> (accessed 29 May 2023); Russia enters India's top 5 trading partners for the first time. Expert, 11 March 2023. URL: <https://expert.ru/2023/03/11/rossiya-vpervyye-voshla-v-top-5-torgovykh-partnerov-indii/> (accessed 29 May 2023).

⁸ Keffer, L. Trade between Russia and India grew 2.5 times in 2022. Kommersant, 18 April 2023. URL: <https://www.kommersant.ru/doc/5940291> (accessed 29 May 2023).

Political factors

- The sanctions imposed on Russia in connection with the situation in Ukraine have further prompted the country to seek new strategic avenues for cooperation in the East, where India is the second most important player, after China.
- Following the 2019–2022 election cycle, India's ruling party, the Bharatiya Janata Party (BJP), led by Narendra Modi, succeeded in consolidating its political position. At present, its members hold the offices of Prime Minister, President, and the Speakers of both houses of Parliament. In the lower house (Lok Sabha), the BJP controls 301 of 543 seats;¹ in the upper house (Rajya Sabha), it holds 93 of 233.² Modi's party also maintains the largest number of seats in the legislative assemblies of India's states. All of this ensures the continued and consistent implementation of the Prime Minister's reform agenda.

Cultural factors

I do not subscribe to the materialistic, rational view of the world so typical of my Western colleagues. That perspective simply cannot explain the passionate connection that so clearly exists between the Russian and Indian peoples. We feel a natural sympathy towards Indians, and they are drawn to us in return. This sympathy is irrational – it simply exists. It reveals itself, for example, in Russians' interest in India's historical and cultural heritage, and in the reciprocal interest Indians show toward Russia. Another sign of this special bond is the remarkable ease with which people from our two countries find common ground. I've observed this closely, and I can say that Indian colleagues are not generally quick to establish rapport with foreigners. Like Russians in many ways, Indians are not inclined toward the formal, businesslike style of communication typical in the United States and Europe. Both cultures are far more adept at building personal, friendly

¹ Lok Sabha. National Portal of India. URL: <https://www.india.gov.in/my-government/indian-parliament/lok-sabha> (accessed 29 May 2023); Lok Sabha. Digital Sansad. URL: <https://sansad.in/lb> (accessed 29 May 2023).

² Rajya Sabha: Introduction. Digital Sansad. URL: <https://sansad.in/rs/about/introduction> (accessed 29 May 2023); Rajya Sabha. Digital Sansad. URL: <https://sansad.in/rs> (accessed 29 May 2023).

relationships – relationships that later grow into business cooperation. Let us treat this spiritual closeness as an additional advantage for both sides, one that supports the development of joint enterprises.

The combination of these factors, and their convergence at a single point, along with a genuine desire to contribute to the development of relations between our countries and to help Russia overcome the sanctions imposed on it, has resulted in this very book – the one now in your hands. It aims to prepare you for working in India and to equip your company for entering the Indian market. This is by no means a simple task. Despite the many factors that bring our peoples closer together, India represents a different civilisation, a different culture, a different outlook on life, and, accordingly, a different way of doing business. The standard management models taught in business schools, most of which are rooted in Western thinking, will not work here.

I will touch on what I see as the most important element, working with Indian staff, because this is where the biggest surprises are likely to await you. I've spoken with many Russian and international partners who have worked, or are still working, in India. Without exception, they agree that the main challenges of doing business in this country lie in the psychology of human relationships. HR management is the critical factor that will determine your success or failure in India. So, if you've decided to try your luck in this "fairy-tale land," be prepared: first and foremost, you'll need to learn how to work with Indians.

My friend Pavel Seleznev and I will do our best to help you with that.

CHAPTER 1

Why Does a Businessperson Entering the Indian Market Need This Book?



Back in 2012, I packed my bags and boarded a flight to Mumbai with my family, filled with a mix of euphoria about the adventure ahead and anxiety about the unknown. The mission was clear. Under an agreement to build a manufacturing facility, the company SIBUR had created a joint venture with an Indian partner, Reliance Industries, the country's largest private enterprise. I was tasked with setting up an office to provide administrative support for the joint venture and oversee the construction of the plant.

I needed to register the company, open the office, hire staff, find housing, and take care of a long list of practical day-to-day issues – all quite literally from scratch. On top of that, I was expected to lead a full-scale communications effort: give interviews, write articles, speak at conferences, join business associations, and build personal connections with both Indian authorities and Russian representatives (embassy, trade mission, consulate, and so on).

I knew I'd be in India for a long time, and that to work effectively, I needed a basic understanding of the country, or rather, to refresh what I already knew (I'll explain what I mean by "refresh" later). But I was soon surprised to discover that despite the wealth of literature on India, not a single book met my needs as a businessperson. There were thick tomes on history and economics, travel guides, yoga handbooks, and introductions to Ayurveda, but not a single pocket-sized guide suitable for someone with limited time for reading. What I was looking for was something I could bring on a plane and, throughout a six-hour flight, extract the essentials – who the Indians are, how they manage business, what their distinctive traits are in negotiation, hiring, and executing tasks, what motivates them, what they expect from a leader. Sadly, no such book existed, and even then, the idea occurred to me: maybe I should write one.

That intention only grew stronger with time. After spending a good while working in India and gaining firsthand experience, I began writing about the specifics of the Indian business environment for professional journals and speaking on the subject at conferences.

That's when two things became clear:

- There was enormous interest in India among readers and listeners. The feedback I received confirmed that I was heading in the right direction. Many entrepreneurs entering Asian markets were facing exactly the same problems I had written and spoken about. Like me at the time, they lacked a guide that addressed how to do business in that cultural setting.
- There was a complete lack of understanding of the East as a civilisation. People were automatically applying Western management templates to India – an approach that was bound to fail. Many of my colleagues' ventures stalled right at the setup stage, simply because they were unfamiliar with the region's specific character.

It became clear that the business community needed a short, accessible, experience-based guide to help launch operations in India, and more broadly, across Asia. That's when the idea of writing this book finally solidified.

Most importantly, I now had something to share. During my assignment in India, I had the opportunity to lay the foundation for what remains Russia's most successful commercial project in India (setting aside defence cooperation and nuclear energy). I launched the project from scratch, brought it to the construction phase, resolved all the necessary issues at that stage, and successfully handed it over to the engineering team. In 2019, the SIBUR–Reliance Industries plant was commissioned and, within a year, reached full operating capacity.

In 2022, I returned to India, this time as Deputy Trade Representative of the Russian Federation, and immersed myself in the work of interstate trade and economic cooperation, which, amid today's geopolitical shifts, is undergoing a dramatic upswing. Our team at the Trade Representation is in effect building a new model of engagement from the ground up, establishing B2B, B2G, and G2G links. That means daily coordination with Russian federal and regional ministries, chambers of commerce, the Russian Export Center, and small, medium-sized, and large businesses turning their attention to India, as well as with their Indian counterparts. The incredibly intense experience I gained at the Trade Representation significantly expanded my perspective on working in India and deepened my understanding of the South Asian region as a whole.

My hands-on business experience in India gave me the raw material for this book. But it was the “bird's-eye view” gained by working within the government that helped me turn that material into something structured and useful. The result is a guide grounded in real-world insights from the “front lines” of business – something that clearly sets it apart from the analytical musings of so-called Asia experts who know the region only by hearsay. This book is intended for those who need practical, lived knowledge of India and who plan to act on it by entering the Indian market themselves, not by writing academic papers, of which there is certainly no shortage.

CHAPTER 2

A Few Words About the Author and His Right to Write About India and South Asia



To earn the reader's trust from the outset, let me tell you a little about myself and what connects me to India. My interest in the East began back in my student years. After graduating from Moscow City Pedagogical University, I joined the diplomatic service and spent two years in Pakistan's capital, Islamabad. During that time, I frequently engaged with the country's political elite: party leaders, journalists, and both senior and mid-level government officials.

After returning from Islamabad, I moved into the corporate sector and spent ten years as an HR director in both Russian and Western companies. I wasn't involved with Asia during that period, but I did dive deeply into the fascinating world of HR management, learning its dynamics in practice.

When SIBUR launched the joint venture mentioned earlier, I didn't hesitate to put myself forward for the role of CEO. First, I knew India well. Second, I had

hands-on HR experience – an essential advantage for running a company designed to support the core business.

The four years that followed in Mumbai, the jewel of India, gave me the chance to see and understand the country from just about every possible angle. While building the business from scratch, I worked with law firms and real estate agents, business centre managers and construction company owners, landlords, and car rentals.

As CEO, I worked closely with senior and mid-level managers at Reliance Industries, India's largest private company, and met with its owner, Mukesh Ambani, and Executive Director Nikhil Meswani. At industry exhibitions and conferences, I connected with representatives of India's oil, gas, petrochemical, and chemical sectors: these conversations enriched my professional experience immensely.

The knowledge I gained from interacting with Alexander Kadakin – Russia's Ambassador Extraordinary and Plenipotentiary to India, a man of great wisdom and experience – was truly unique and invaluable. It was also a privilege to work with Alexey Novikov, the Consul General in Mumbai, with whom I developed a warm and lasting friendship, one that extended to his entire family. I'm sincerely grateful to them for the support and timely advice when it mattered most.

I happened to participate in two nationwide HR forums in India, where I became familiar with both general and company-specific approaches to personnel management in Indian firms. And I can say this with full confidence: they are strikingly different from what is standard practice in the West or Russia.

I also had a brief foray into India's education system: I completed an MBA programme and taught a course on cross-cultural management at the University of Mumbai.

Another aspect of my time in India was my interaction with Indian youth. I trained regularly in local judo and boxing clubs, supported the development of mixed martial arts (MMA), and helped organise events in the sport. I had the good fortune to connect with MMA pioneers in India, including Mayur Bansode, Khushnoor Jijina, and their students. One standout moment was inviting Kirill Lyubin, President of the Federation for the Promotion of Knife Sports Development in Russia, and his colleague to India to help promote the

sport in the region. The result was an overwhelming success. We managed to involve the top officials of the Maharashtra state police and even brought in Bollywood star Akshay Kumar.

I also got a feel for the country's cultural life. Meeting producer Pradeep Bhatia, whom I helped organise three concerts for the magnificent orchestra led by Igor Butman, gave me an entry point into Mumbai's creative and intellectual circles. By the way, Igor Butman is hugely popular among India's cultural elite.

We travelled a great deal as a family, and work took me around the country as well. I visited Delhi and its historic surroundings, Chennai (Madras), Kolkata (Calcutta), Chandigarh, and Shimla (in the far north, in the Himalayas), Kochi and Thiruvananthapuram (in Kerala, in the far south), and Bengaluru (Bangalore). That one comes with a story: I was invited to Bangalore for a paintball tournament by Pavel Ovsienko – the only professional among the Russian participants. And even though our team looked more like a guerrilla unit than a proper paintball squad, we took first place!

I could go on listing all the people I met and the many contacts I made, but that would likely exhaust the reader. So, I'll stop here and summarise: my interactions were wide-ranging and revealed India to me in its many social, cultural, and regional facets. As for hiring Indian staff and managing them day to day, that experience only deepened my understanding.

I hope that my country-specific knowledge, combined with practical management and HR experience in India, gives me the right to write about this country and helps me earn the reader's trust.

Now, as I prepare this updated edition, I find myself entering a new phase of understanding India and the South Asian region as a whole. As already mentioned, I currently serve as Deputy Trade Representative of the Russian Federation in India, and at a time when our country is making a decisive shift toward Eastern markets, I am gaining invaluable professional experience. As before, I continue to meet fascinating individuals – people I can learn from, and with whom I am glad to share my accumulated knowledge and ideas. I consider myself lucky to have met Alexander Rybas, the Trade Representative of the Russian Federation in India. His exceptional competence and remarkable personal qualities continue to inspire me to learn and grow every day. Much of the knowledge this book is built on, as well as the support behind it, comes from my colleagues Mikael Pirjanyan, Evgeny Ostapkevich, Anastasia Grineva, Mamed Akhmedov, and Evgeny Burman.

One of the key features of this edition is that it was written by two authors. I want to express my sincere gratitude to my friend Pavel Sergeevich Seleznev, Dean of the Faculty of International Economic Relations at the Financial University under the Government of the Russian Federation, for joining this project and strengthening the book's economic, historical, and cultural foundations. Thanks to his contribution, the book has gained a stronger academic foundation and clearer structure: qualities that I hope will help it reach an even wider readership.

CHAPTER 3

How to Properly Read This Book: What You'll Find in It and What You Definitely Won't



One last thing before we move on to my “field notes” on India. This chapter is here to help anyone undecided about whether to read the book or set it aside. And for those who already feel this book is for them, it will be useful to get a sense of how the material is structured and presented so you can get the most out of it.

1. This book is mainly for those planning to work in Asia, regardless of field, and looking for a “crash course”: what’s going on here, what local partners are like, and how to build solid working relationships.
2. It’s definitely not an academic or analytical guide. Think of it more as a practical set of tips for “craftspeople” – that is, for people who care more about “how” than “why.”

3. The book will regularly touch on the psychological, historical, and political characteristics of the Indian nation, but it will not go into detailed explorations of politics, economics, history, or culture. If you're a race car driver, you're not especially concerned with how the engine works, let alone the physics behind it. Your job is to drive – and to do it as fast and effectively as possible. That said, I still recommend taking the time, when possible, to read up on the country.
4. Each chapter follows the same structure: examples from personal experience, a brief theoretical explanation, and a recommendation on how best to approach that area of work.
5. In the end, my “field notes”, identified patterns, and practical guidance will give you a well-rounded view of HR practices in Asia and a clear sense of what does and doesn't work when managing people in this region.

The ultimate goal of this book is to equip you with a working understanding of the country so that you're ready to begin working with locals the moment you step off the plane.

Let me now offer four final remarks. Without them, these notes might seem bland and unfinished, like food without salt.

Here's what you need to make the advice in this book truly work:

- Keep in mind that this book presents a generalised image of an Indian counterpart. Naturally, people in Delhi are different from those in Mumbai or Kolkata, and the people of Kerala are strikingly unlike the ethnic groups who live in the Himalayan regions, and so on.
- Learn to love India. Eastern cultures are always attuned to emotional undercurrents. If you show up all businesslike and unemotional, using the Western “nothing personal, just business” approach, your efforts will stall. Here, that principle is flipped on its head.

- If you manage to develop a genuine fondness for India, be careful not to fall into the opposite extreme – getting completely swept up in your love for it. This is the East. Strength is respected here, and the historical memory of colonial conquest is still very much alive. A measured air of confident superiority, what some might call an “Occidental savoir-faire,” can actually work in your favour. As one of my senior colleagues told me in Islamabad, a seasoned professional with years of experience in Asia and a native of the Caucasus: “If you want to be respected in the East, never wear local clothes or try to look like the locals. Ideally, don’t understand a word of the local language – and don’t even try to learn it”. That advice might sound extreme, but it has a point.
- When doing business in India, you should not rely on ideas promoted by Western media about “universal human values” or “international best practices”. People in the East do not believe that rules created by a smaller part of the world, whether in terms of population or territory, should be called “universal,” treated as absolute truths, or imposed uncritically as the benchmark for all. You should also avoid getting into discussions with Indians about LGBT rights, animal protection, and so on, however politically incorrect their views may seem. Here, the family is seen as the foundation of society, and when it comes to rights, people tend to believe there are many other, more urgent problems.

So, time to turn the page and begin your journey through India. I wish you an engaging and rewarding read.



CHAPTER 4

A Gentleman's Starter Kit on India's History, Politics, Economy, Culture, and Sports



This chapter offers essential background knowledge about India, helpful for anyone arriving here. With this "gentleman's starter kit", you'll gain a broad understanding of the country's way of life and be able to engage in conversation with Indians without worrying about sounding like an ignoramus. Naturally, regular exposure to the local environment will deepen your understanding over time, and reading specialised literature will help you organise that knowledge. You might also explore some well-known novels about modern India – The White Tiger¹, Shantaram², and others. But all of that will come later. For now...

¹ Aravind Adiga. The White Tiger. Moscow: Phantom Press, 2010. 349 pages.

² Gregory David Roberts. Shantaram. St. Petersburg: Azbuka, Azbuka-Atticus, 2019. 864 pages.

A Brief History

Indian civilisation is among the oldest in the world. Still, it would be a mistake to draw a straight line between modern Indians and their ancient ancestors – the inventors of chess, eminent astronomers, and mathematicians. The Indian nation took shape over thousands of years through the blending of many ethnicities and cultures.

The earliest known chapter of Indian history is linked to the Harappan civilisation (mid-3rd to early 2nd millennium BCE), which flourished in the Indus River Valley and was likely established by the ancestors of the Dravidians, who today inhabit southern India. After the decline of the Harappan civilisation came the Vedic period, during which Indo-Aryan tribes settled the Indian subcontinent (2nd millennium BCE), assimilating the peninsula's indigenous populations. The Aryans brought with them the Vedic religion, and it was during this time that the caste system began to emerge.¹

Muslim conquest (13th–18th centuries) and British colonisation (late 18th century to 1947)² had a profound influence on the formation of the Indian nation. Many things now closely associated with India, and embraced with pride by Indians themselves, took shape during these eras: the Taj Mahal, numerous mosques, the India Gate, and Chhatrapati Shivaji Terminus (formerly Victoria Station), among others. It was through these periods of Islamic and British rule that the Indian nation assumed its modern character: from Islam, it absorbed elements of Eastern political culture; from the British, it inherited infrastructure, the English language that now binds the nation together, and, rather untypically for the East, a democratic system of government.

¹ India. Great Russian Encyclopedia – digital version. URL: <https://old.bigenc.ru/geography/text/2009216> (accessed: 06.06.2023).

² Ibid.

Hinduism

India is the birthplace of Buddhism; however, at one point, the Buddha's teachings nearly displaced the older religion of Hinduism. Over time, however, Hinduism regained its prominence and remains the dominant religion in India today. Hinduism is a notably inclusive faith. It does not require absolute devotion to a single Creator. Alongside the three main deities, Brahma, Shiva, and Vishnu, the Hindu pantheon includes a vast array of other gods, both pan-Indian and local. The most beloved of these is the cheerful god Ganesha, a man with an elephant's head (take a moment to read the story of how he came into being – it's worth it). Festivals dedicated to Ganesha are among the longest and most symbolically rich in Hindu tradition.

According to the 2011 census, Hindus (followers of Hinduism) made up slightly over 80% of India's population. Muslims (almost 13%) and Christians (around 2.5%)¹ also form significant communities. Together, these three religious groups account for more than 96% of India's population. India is also home to some highly distinctive religious communities. One such group is the Sikhs, followers of Sikhism, a religion that emerged from the interaction of Hinduism, Islam, and the North Indian Bhakti movement. Sikhs are easily recognised by their iconic turbans and beards. Although they make up only about 2% of the population², they are well-represented in India's business and political elite, due to their high levels of education, and they exert significant influence over India's public life.

Despite being one of the world's most densely populated countries, India sees fewer internal conflicts, most of which stem from religious tensions between Hindus and Muslims. A notable large-scale incident took place in 2013 in the Muzaffarnagar district of northwestern India, resulting in 62 deaths, 93 injuries, and the displacement of more than 50,000 people. There have also been documented incidents of attacks by Hindus on truck drivers transporting beef, with the victims most often being Muslim.³

¹ Religion in India: Tolerance and Segregation. India is majority Hindu, but religious minorities have sizable populations. Pew Research Center. https://www.pewresearch.org/religion/2021/06/29/religion-in-india-tolerance-and-segregation/pf_06-29-21_india-00-0 (accessed: 6 June 2023).

² Ibid.

³ Funeral of truck driver ends in major unrest in India. Argumenty iFakty, 19 Oct 2015. https://aif.ru/incidents/pohorony_voditelya_gruzovika_zakonchilis_krupnymi_besporядkami_v_indii (accessed: 6 June 2023).

Castes

Most people will recall the varna-caste system from school history lessons. It remains a fundamental part of life in India in many respects. At its core, it is a system of social stratification. The term “caste” itself is not of Indian origin. It was introduced by Portuguese sailors in the 15th and 16th centuries and later adopted by the British. In India, however, the term “jati” is used instead.

Originally, Hindu society was divided into four groups known as varnas. These included the Brahmins (priests and the religious elite), the Kshatriyas (warriors and the ruling class), the Vaishyas (merchants and farmers), and the Shudras (manual labourers and service workers). Those outside the varna system were considered religiously impure and were referred to as “untouchables”.

Over time, the simple varna system developed into a multilayered structure of jati. Each of the four varnas now encompasses numerous jatis, which determine a person’s position within the religious and ritual hierarchy. The term jati literally means a birth-assigned social status within a given community. Scholars have repeatedly tried to define a universal model of jati based on a standard set of traits, but they consistently encountered the same obstacle: in different regions of India, the way of life associated with each jati, and each varna, for that matter, can differ significantly.

Broadly speaking, the jati system involves:

- inherited status: individuals are born into the jati of their parents;
- specific occupations linked to each jati;
- marriage is allowed only within the same jati;
- privileges and restrictions vary by group;
- daily restrictions on food, drink, and place of residence.

This point is especially important when managing staff. Even minor daily restrictions or seemingly harmless advice can lead to serious problems. It’s essential to understand that, in the eyes of many Indians, things like turbans, moustaches, the right to sit on public transport, or wearing shoes

are all seen as markers of caste privilege. Employees may be equally upset by being denied access to these "social perks" or by seeing them extended indiscriminately. You certainly don't want to find out what might happen if someone casually touches a water cooler informally reserved for another jati.

It's also worth remembering that certain types of work are strongly associated with lower castes in Indian culture. Even well-meaning phrases like "land a big catch" or "pave your way to success" might sound offensive to an Indian colleague. Caution is also needed when translating Russian surnames. Names like Goncharov (Potter), Myasnikov (Butcher), Kozhevnikov (Tanner), Prachkin (Lauderer), Rybakov (Fisherman), or Sapozhnikov (Shoemaker) may come across as ambiguous or inappropriate to Indian coworkers.

To complicate matters further, the jati system is far from static. The status of specific jatis within Indian society has changed significantly over more than 2,000 years. Some have even disappeared entirely.

Indian law states that converting from Hinduism to another religion results in the loss of caste status. In practice, however, Indians continue to informally categorise one another by jati, even within Muslim, Christian, and Sikh communities. There are also cases where Muslims, Christians, and Buddhists born into lower castes conceal their religious conversion to retain eligibility for legal benefits.

India is home to more than 3,000 jatis (commonly referred to as castes in English) and over 25,000 local-level subgroups.¹

Only about 4% of Indians identify as Brahmins, the highest-ranking varna. In total, the four varnas account for roughly one-third of the Indian population. By contrast, Dalits (members of the Scheduled Castes, who fall outside the four-varna system) and Adivasi tribes (descendants of the subcontinent's indigenous peoples) together make up 34% of the population.²

¹ What is India's caste system? BBC News. 19 June 2019. [Archived copy] <https://web.archive.org/web/20230604183708/https://www.bbc.com/news/world-asia-india-35650616> (accessed: 6 June 2023).

² Religion in India: Tolerance and Segregation. Attitudes about caste. Pew Research Center. <https://www.pewresearch.org/religion/2021/06/29/attitudes-about-caste/> (accessed: 6 June 2023).

Since jatis only loosely correspond to the varna structure, their diversity has always made it difficult to establish a strict hierarchy. British colonial authorities faced this challenge and resolved it in their own way: they formally ranked all jatis into five categories, thereby making a major contribution to the caste system as it exists in India today. The gentlemen from the Foggy Isles also took it upon themselves to identify hundreds of “criminal castes,” meaning jatis they considered prone to antisocial behaviour.

In many cases, this marked the first time formalised restrictions on land ownership for those groups. More broadly, British rule contributed to the narrowing of occupational roles within the varna system. Before colonisation, Brahmins, Kshatriyas, Vaishyas, and Shudras across much of India were free to farm or pursue military service regardless of caste background.

Some may dismiss all this as a minor cultural detail, an outdated quirk with little relevance to business. But a few numbers are enough to show otherwise. Just over 5% of marriages in India are inter-caste.¹ The government actively encourages such unions, but this has had little overall impact. A 2021 survey by the Pew Research Center found that, depending on the region, between 35% and 82% of Indian adults believe there should be a complete ban on inter-caste marriage.² Roughly a quarter (24%) of respondents said all of their close friends belong to the same caste, while 46% said this was true of most of their friends.³

Although the Indian Constitution prohibits discrimination based on caste or varna, professional identity in India remains closely tied to caste, both because many occupational clans originated within caste lines and because the country's business culture remains family-driven. While outsiders can enter other professional fields, doing so is often an uphill battle.

In rural areas, caste and varna affiliation matter far more than in cities. Yet even in large companies, employees with the same formal rank may wield differing degrees of informal authority depending on their varna background. Hereditary Brahmins and Kshatriyas often regard themselves as superior to members of lower varnas, and while this sense of entitlement may be subtle, it is unmistakable.

¹ Ibid.

² Ray T., Chaudhuri A., Sahai K. Whose education matters? An analysis of inter-caste marriages in India. *Journal of Economic Behavior & Organization*. 2020. No. 176, pp. 619–633. DOI: 10.1016/j.jebo.2020.02.011.

³ Religion in India: Tolerance and Segregation. Attitudes about caste. Pew Research Center. <https://www.pewresearch.org/religion/2021/06/29/attitudes-about-caste/> (accessed: 6 June 2023).

Social Balance

Hinduism and the varna-caste system are important regulators and determinants of India's socio-political life. With a population of 1.4 billion,¹ the country could easily have descended into social unrest, especially considering that three-quarters of the population lives in poverty, including 275 million people below the poverty line and over 600 million just above subsistence level.² These two elements help keep Indian society stable: the caste system channels people into occupational roles, while religion provides the ideological foundation that sustains it. A central tenet of Hinduism is living according to one's destined role or dharma. Fulfilling this destined path is seen as the highest virtue and a guarantee of a better rebirth. And abandoning one's dharma is considered to be a serious sin. This belief underlies the contemplative mindset often associated with Indian culture, along with its emphasis on harmony as a core value.

Hinduism and the caste system function across all levels of society, not just in isolated cases, and they help prevent large-scale social unrest. Given the country's dense population and limited labour protections, one would expect serious accidents to occur frequently. Yet the numbers tell a different story.

I'm convinced that India is a country loved and protected by God. I remember a moment that confirmed this for me. India depends heavily on the monsoon season. It's the primary source of water for both farms and cities. If the rains fall short, it's a disaster. In 2015, the monsoon ended too early. Reservoirs were only half full, and things were looking dire. The government responded by calling for prayers in schools. Every hour, classes were paused so students could pray for rain. The whole country did the same. It's hard to believe, but out-of-season rains followed. The reservoirs filled to the brim, and the rains began exactly on the day of the Ganesh festival.

¹ World Population 2023. United Nations Population Fund. p. 166. <https://www.unfpa.org/sites/default/files/swop23/SWOP2023-RUSSIAN-v230413bweb.pdf> (accessed: 28 May 2023).

² Poverty & Equity Brief: India. World Bank Group, October 2022. https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F4D93-AE8C750588BF00QA/current/Global_POVEQ_IND.pdf (accessed: 6 June 2023).

It's worth briefly addressing interreligious tensions in India. Unfortunately, the general principle of religious tolerance is not without exceptions. Some Indian nationalists view the spread of any religion other than Hinduism as a threat to the nation. It is therefore advisable to avoid any behaviour that could be seen as promoting another faith or seeking to convert others.

This suspicion also extends to Christians. According to the organisation "Persecution Relief", there were 330 attacks by local radicals on Christians in 2016; 440 in 2017; 477 in 2018; and 527 in 2019.¹ Most victims were Protestant missionaries, but there were also recorded attacks on Orthodox and Catholic Christians. In 2021, the "United Christian Forum" reported 486 incidents of violence against Christians.² Such incidents typically involved attacks on churches and clergy.

Eleven Indian states have passed laws that prohibit religious conversion by means of coercion or deception.³

Indians tend to be very sensitive about this topic, so religion is best discussed only in the context of history or culture.

Religious factors also contribute to the strong reaction many Indians have to the issue of illegal migration. Under current legislation, refugees fleeing religious persecution may apply for Indian citizenship. However, this provision does not extend to Muslim migrants. When the law was passed in 2019, it triggered widespread protests by Muslim communities across several major cities.

¹ Mathew A. On Narendra Modi's Watch: Steep Rise in Crime Against Christians Between 2016 and 2019. National Herald. 28 Jan 2020. URL: <https://www.nationalheraldindia.com/india/on-narendra-modi-watch-steep-rise-in-crime-against-christians-between-2016-and-2019> (accessed: 7 June 2023).

² With 486 Attacks, 2021 Was "Most Violent Year" for Indian Christians. Associated Press of Pakistan. 26 Jan 2022. URL: <https://www.app.com.pk/featurednews/with-486-attacks-2021-was-most-violent-year-for-indian-christians/> (accessed: 7 June 2023).

³ Karnataka Becomes India's 11th State to Enact Anti-Conversion Law. International Christian Concern. 19 May 2022. URL: <https://www.persecution.org/2022/05/19/karnataka-state-anti-conversion-law/> (accessed: 7 June 2023).

Vegetarianism

Another hallmark of India is vegetarianism. Roughly 40% of the population, primarily Hindus, don't eat meat.¹ A vegetarian diet helps maintain social stability, easing pressure on the food supply: costly meat is replaced with much more accessible agricultural produce. This is made possible by a climate that allows for as many as four harvests a year. When planning an event with Indian attendees, make sure there are vegetarian dishes on the menu. The fact that you eat meat won't offend anyone (though it's still best to steer clear of beef).

Only eight of India's 28 states have no laws restricting beef slaughter, storage, or consumption. The slaughter of cows, bulls, and buffaloes is completely banned in most northern states. Elsewhere, it is tightly regulated. Storing, serving, or eating beef is prohibited in Chandigarh. Possessing cow meat is a criminal offence in Chhattisgarh and Delhi. Its transportation or sale is illegal in Gujarat. Trading canned beef is punishable by imprisonment in Haryana. In Jammu and Kashmir, buying or storing cow or calf meat is punishable by up to one year in prison. A person who decides to snack on some beef can face up to five years in prison in Maharashtra, and up to seven years in Uttar Pradesh (though exceptions exist for imported beef brought in sealed containers for foreign nationals). Simply storing or transporting cow meat can result in a prison sentence of up to ten years in Rajasthan.²

Even in states where beef consumption is legal, it's best to avoid it. First, because it may simply offend those around you. Second, because your casual craving for beef might, quite by accident, spark a riot.

¹ Religion in India: Tolerance and Segregation. Religion and food // Pew Research Center. URL: <https://www.pewresearch.org/religion/2021/06/29/religion-and-food/> (accessed: 7 June 2023).

² Beef row: Where it is illegal and what the law says // The Indian Express. 2016. 27 July. URL: <https://indianexpress.com/article/india/india-news-india/beef-madhya-pradesh-video-cow-vigilantes-gau-rakshaks-2938751/> (accessed: 7 June 2023).

Some clarifications are necessary. Although cow slaughter and beef consumption are permitted in some states, transporting cattle across state borders is strictly prohibited. This has done little to deter smugglers: in Kerala and West Bengal, the number of illegal slaughterhouses exceeds the official count by a wide margin. Their owners are known to pay generously for either buying out or stealing and transporting cattle. This, in turn, has led to the rise of full-scale lynch mobs. Mere rumours of cow parts being found somewhere can easily provoke riots, arson, or even murder. Which is why, for any foreign businessperson, it's wise to develop a reputation early on as "a cow's best friend."

Political System

India's political system combines seemingly contradictory elements: Western democratic institutions and features of a distinctly Eastern social order. It's the largest democracy in the world. India is a parliamentary republic by form of government, and a federation by territorial structure, made up of 28 states and 8 union territories. There is a president, but the role is largely ceremonial. Actual power rests with the Prime Minister, who is nominated by the party that wins the parliamentary elections. India's elections are genuinely competitive rather than orchestrated. India has a strong and independent media, with virtually no government interference. The media landscape features both government critics and supporters.

India has two major political parties: the Indian National Congress (INC), which leans socialist, and the Bharatiya Janata Party (BJP), which is national-conservative. The primary contest tends to be between these two. The communists in Kerala and the Shiv Sena nationalists in Maharashtra are examples of regional parties that hold sway in certain states. But they rarely attain national-level influence, and both the INC and BJP actively court their support.

Indian officials, despite operating within a democratic framework, often follow traditional Eastern ways. One clear example is the deeply rooted culture of *baksheesh* (gift-giving). This becomes more pronounced the further you move from federal to regional offices: the lower the level, the more everyday corruption you're likely to encounter. *Baksheesh* serves as a kind of lubricant for the bureaucratic machinery. Without it, your case may simply be overlooked.

India doesn't have a rigid centralised power structure, nor are the regions dependent on the centre. And business, even more so, operates independently of the state. Russian entrepreneurs often set up in the capital, close to Delhi's government quarters, expecting that they can resolve business matters through senior officials, as they would in Russia. But that strategy only makes sense if your partner is a state-owned corporation. In most other cases, it's a serious miscalculation: the centre has little influence over private enterprise. The smarter approach is to build relationships locally, both with business partners and with regional authorities. Unlike their federal counterparts, regional officials wield greater leverage over businesses. Their support is worth securing; otherwise, your competitors may torment you through endless formal complaints. Unfortunately, using administrative pressure to seize businesses is a common practice in India.

If, however, you're planning to work in Pakistan, the situation is reversed: access to major players in your sector is often mediated by state institutions.

India and Pakistan

Since Pakistan has come up, it's important to acknowledge the long-standing hostility between India and Pakistan. This conflict, which at times simmers and at others flares into open confrontation, dates back to the end of British colonial rule. In 1947, as the British withdrew from the subcontinent, they partitioned the former colony into two parts: India, where Hinduism predominates, and Muslim-majority Pakistan.

One unresolved issue was the princely state of Kashmir, claimed by both sides. This territorial dispute led to three Indo-Pakistani wars (1947–48, 1965, and 1971), after which the current *de facto* border was established: roughly two-thirds of Kashmir became part of India (as the state of Jammu and Kashmir, now a union territory), with the remaining third under Pakistani control.

Despite formal agreements, the Kashmir dispute remains a key flashpoint and continues to provoke military clashes. It is also essential to bear in mind that both countries possess nuclear weapons as well as delivery capabilities. The Kashmir issue is extremely sensitive for people on both sides of the border, so any discussion of it requires the utmost care. Jokes or questioning either side's claim to the territory may get you into serious trouble.

Important Names

Naturally, if you're travelling to India, it's helpful to be familiar with key figures in its political history. What follows is a brief introduction.

Mohandas Karamchand Gandhi (Mahatma Gandhi, 1869–1948) was the ideologue and leader of the independence movement against British colonial rule. (His portrait appears on Indian currency – the rupee.) Gandhi's primary contribution to the national movement was his strategy of nonviolent resistance. After many years of struggle, he and his followers succeeded in achieving India's independence in 1947. He was assassinated by religious extremists for advocating nonviolence, peaceful coexistence between Hindus and Muslims, and a non-interventionist stance during the partition of the country.

Jawaharlal Nehru (1889–1964) was India's first Prime Minister. A disciple and political ally of Mahatma Gandhi, he was also one of the leading figures of the Indian National Congress. After the British departure, Nehru began shaping India's policies as an independent state: he set India on a course of non-alignment in foreign policy and advocated active state intervention in the domestic economy. He was the father and grandfather, respectively, of the later Prime Ministers Indira Gandhi and Rajiv Gandhi. (Mahatma Gandhi, incidentally, was not related to either of them.)

Indira Gandhi (1917–1984), the daughter of Jawaharlal Nehru, served twice as Prime Minister of India from the INC. She was a strong advocate of non-alignment policy. During her tenure, relations with the USSR deepened significantly, laying the foundation for a bilateral friendship that continues today. Indira Gandhi was assassinated by her Sikh bodyguards in retaliation for a military operation against Sikh separatists.

Rajiv Gandhi (1944–1991), Indira's son, continued many of her policies during his time in office. He was assassinated by terrorists from the Liberation Tigers of Tamil Eelam (LTTE).

I will discuss the current key figures in Indian politics in the next chapter.

Bollywood and Cricket

If you want to win over your Indian counterparts, get to know Indian cinema. Bollywood, the film industry hub based in Mumbai, is the world leader in the number of films produced. For Indians, Bollywood actors are something like demigods – figures of pride, admiration, and deep devotion. It's well worth spending some time watching films featuring the national legend, Raj Kapoor. His 1951 classic "Awaara" (directed by Kapoor himself) and its songs remain beloved by many Indians to this day. Here's an example. When Igor Butman's orchestra performed at the National Centre for the Performing Arts in Mumbai, widely considered India's top concert venue, the brilliant blind pianist Oleg Akkuratov began singing songs from "Awaara" in Hindi. The entire audience joined in, singing along regardless of age or social standing. The applause went on for nearly half an hour.

Modern actors and actresses like Amitabh Bachchan, Mithun Chakraborty, Shah Rukh Khan, Akshay Kumar, Aishwarya Rai, and others will be peering down at you from every billboard. Not knowing who they are, or even a couple of their films, tells Indians you're just passing through and not really interested in their world. That alone can be enough for them to shut down on you. As I've said before, the principle of "nothing personal, just business" doesn't apply in India. I realised what actors mean to Indians when I hosted Kirill Lyubin, President of the Federation for the Promotion of Knife Sports in Russia, during his visit to Mumbai. He and a colleague were running workshops and training sessions for children, athletes, police officers, special forces personnel, and so on. We invited Akshay Kumar for the main event, a Bollywood star and well-known martial arts ambassador. Consul General A.A. Novikov, the Mumbai Police Chief, and several other prominent figures were also present. But once the event wrapped up, a wave of reporters surged in, washing the rest of us aside into a corner. All eyes were on Akshay Kumar – people looked at him like he was a demigod.

Cricket players in India enjoy a similar kind of reverence, perhaps just half a step below. It is, by far, the country's most popular sport. Walk into almost any bar or restaurant, and you'll likely find a cricket match playing in the background. I confess – I never really got into the game. Even so, attending a match can be a great way to connect with the right people.

Landmarks

India is, above all, a land of breathtaking cultural heritage and natural beauty. Visiting its most iconic sites is one of the best ways to get a feel for the country – and enjoy the experience at the same time. And there's a bonus: the impressions you take away will be useful in conversation. Indians will almost certainly ask what you think of their country, and they'll genuinely appreciate your interest.

If ancient history isn't really your forte, don't overthink it – just go see the Taj Mahal in Agra. This mausoleum-mosque was commissioned by Shah Jahan, Padishah of the Mughal Empire and a descendant of Tamerlane. It took more than 20 years to complete, with 22,000 artisans working on it. The Taj Mahal is a masterpiece not just of architecture, but also of decorative craftsmanship— its walls are inlaid with both precious and semi-precious stones. In Delhi, be sure to check out the Lotus Temple, the Qutb Minar, the Red Fort (Lal Qila), the India Gate triumphal arch, and the Parliament building (Sansad Bhavan). In Mumbai, don't miss Chhatrapati Shivaji Terminus (formerly Victoria Terminus), the city's own India Gate, and the Prince of Wales Museum. In Kolkata, visit the Victoria Memorial.

To get a sense of the Indian subcontinent's natural diversity, I suggest heading all the way south – to the wild forests of Kerala – and all the way north – to the snow-covered foothills of the Himalayas. I especially recommend visiting Shimla, the former summer residence of the British Viceroy. The Himalayas are the perfect place to see how India unites the seemingly incompatible. Once, while hiking with my family along a mountain slope, we spotted a conifer that looked straight out of our northern latitudes – growing right next to a tropical cactus.

Your familiarity with India's nature and culture will definitely make a positive impression on Indian conversation partners (who, incidentally, tend not to travel much themselves). I can say this from personal experience: whenever I discussed India's history and culture or exchanged travel impressions, the conversation always took on a warmer, more open tone. Indians are generally sincere and welcoming people, but they tend to open up only when they see that your interest in them and their country is genuine. That's why becoming "one of their own" is nearly impossible without at least some basic knowledge of India, and that, in essence, is exactly what this "gentleman's starter kit" is designed to provide.

CHAPTER 5

India in the Early 21st Century: Key Trends



A retrospective look at India has helped us identify what mattered most in its past. Now it's time to turn to the present. The country remains fairly traditional in its social structure. Indians tend to rely on accumulated experience and are generally cautious about rapid change. In this sense, the Indian elephant may be the perfect metaphor: slow-moving and deliberate, but once in motion, impossible to divert.

This is exactly how India today is moving toward a position of leadership, both in the region and on the global stage. Several observable trends support this trajectory, and they deserve close attention, even at the micro level, for example, when managing staff.

I will focus on the trends most relevant to our subject.

Demographics

India is currently one of the youngest nations in the world. Around 350 million Indians are under the age of 35, which is 100 million more than in China.¹ This gives the country a huge demographic dividend. In simple terms, it has a vast army of working-age Indians. On one hand, this creates acute pressure to generate sufficient employment. On the other hand, it presents enormous potential for economic acceleration. The youth majority also means that, for now, the issue of pension security is largely off the table. In this regard, India can hardly be described as a welfare state, since care for the elderly traditionally falls to their children.

Education

Another encouraging factor in India's development is the growing popularity of education. That's no surprise. In a country where an estimated 600 million people live at subsistence level, education is widely seen by young people as a way up and a means to a more secure and dignified life. This is a positive signal for business. The more educated the population, the greater the supply of skilled and ambitious workers entering the labour market.

¹ https://www.dni.gov/files/images/globalTrends/GT2040/GlobalTrends_2040_for_web1.pdf; <https://www.drishtias.com/daily-updates/daily-news-analysis/trends-indemography> (accessed: 10 June 2023).

Economic Doctrine

Prime Minister Narendra Modi's administration adopted a pro-business course aimed at job creation. The ideas of Mahatma Gandhi and socialist thought more broadly are being re-examined. The state is increasingly steering the economy toward market-based development. At the same time, it hasn't thrown itself fully into liberal economic doctrine.

What we're seeing instead is a kind of hybrid: a market-oriented economy paired with a strong nationalist policy stance. I once had the chance to hear Narendra Modi speak at an economic forum in Ahmedabad, attended by leaders of advanced economies and major international organisations. The speech made a lasting impression. Modi is, without doubt, a charismatic speaker. His main message was that India's path to economic prosperity lay in strengthening national self-awareness. In essence, the speech came down to this:

"We are the world's oldest, most gifted, and strongest nation. The future is ours. We will drive global progress. India comes first, for the prosperity of Indians, but we are open to others as well. Let foreign companies bring their technologies here. They will have everything they need to succeed. But the priority is localising production in India, transferring technology, and creating jobs."

As you can see, Modi's address combined a liberal economic agenda, support for business development, and openness to foreign investment, with patriotic rhetoric that visibly resonated with the audience. I saw with my own eyes how strongly Indians responded to it.

The idea of national greatness genuinely finds support in Indian society. Thankfully, Indians are not aggressive and have no ambition to conquer the world by force. Instead, their nationalism functions as an ideological driver of economic development and a motivation to work for the benefit of both the individual and the country. At the same time, it has helped India move past the old servility toward "the white man," although, as I've written before, a touch of "old-world" gravitas can go a long way in this country. But it is important to understand that these are no longer the Indians of 30 or 40 years ago. Even a slight display of disrespect can easily offend their sense of national dignity.

The Make in India programme, launched in 2014, is the pinnacle of this new doctrine. It formally stated that India is open to foreign investment, with a strong focus on acquiring advanced technologies and establishing local production.

Immediately after the programme's launch, investment in India doubled within just six months, rising from \$11 billion to \$21 billion. Over the past three years (2020 to 2023), that figure has held steady at around \$60 billion annually.¹ As IMF head Christine Lagarde aptly put it, India is "a bright spot" in today's global economy".² The reason lies in the steady expansion of the country's middle class, whose consumption now rivals that of its counterparts in developed nations.³ For context, India's middle class is currently almost twice the size of Russia's entire population. It's no wonder that foreign businesses are actively entering the Indian market, often overlooking Modi's nationalist tone in favour of what the country truly offers: staggering consumer demand! India will continue to seek cutting-edge technologies over the next 15 to 20 years. This is the time to identify the needs of this vast market and secure your place in it.

International Integration

As India gradually integrates into the global economy, it continues to uphold strong protectionist policies (focused on supporting domestic producers and achieving at least partial self-sufficiency across all sectors), and society is beginning to reassess its colonial past. There is growing appreciation for the infrastructure built during British rule, which helped unify the country, and above all, for the English language. English has become a lingua franca across multilingual India, where nearly every state has its own language, and

¹ 48% Growth in FDI Equity Inflows after Make in India // Press Information Bureau. 2015. 14 July. URL: <https://pib.gov.in/newsite/PrintRelease.aspx?relid=123256> (accessed: 11 June 2023).

² India a bright spot on cloudy global horizon: IMF chief Christine Lagarde // The Economic Times. 2015. 17 Mar. URL: <https://economictimes.indiatimes.com/news/economy/policy/india-a-bright-spot-on-cloudy-global-horizon-imf-chief-christine-lagarde/articleshow/46588036.cms> (date of access: 11.06.2023).

³ Roy A. The Middle Class in India: From 1947 to the Present and Beyond // Education About Asia. 2018. Vol. 23. Nr 1. P. 32–37. URL: <https://www.asianstudies.org/wpcontent/uploads/the-middle-class-in-india-from-1947-to-the-present-and-beyond.pdf> (date of access: 11 June 2023).

people from different regions often cannot understand one another. The widespread use of English has also lowered the barrier for foreign companies entering the Indian market. This has already encouraged the relocation of various manufacturing operations to India and the establishment of global outsourcing hubs for services such as accounting, call centres, and more. Naturally, English proficiency also allows young Indians to study abroad at leading Western universities.

English has also helped drive another phenomenon: the global spread of Indians. Unlike the Chinese, who speak English far less yet also migrate widely, including to Russia's Far East, Indians are not only able to form diasporas but also to integrate individually into global society. Their main destinations remain the United Kingdom and the United States. There, they pursue higher education, settle, and, in keeping with Eastern tradition, soon bring over their relatives. I would call this a kind of "peaceful reverse colonisation". In conversations with Indian friends, I have often heard a view that seems to reflect a shared cultural mindset: "We don't wage wars. We don't resist with force. We adapt. Maybe we don't have great warriors, great victories, or great discoveries, but we endure. The conquerors eventually leave or assimilate, but we stay. Our way is peaceful. We quietly spread across the world and gradually grow our influence by becoming part of other people's lives."

This peaceful colonisation is already bearing fruit. Outside Silicon Valley, where Indians already hold a strong foothold, we can also point to the appointment of an Indian professor as head of Harvard's MBA programme.¹ Unsurprisingly, he stated that education should become more "Indian," and that more faculty from India should be brought in. The spirit of Indian expansion is summed up in a slogan you will see at every airport in the country: "Citizen of the world – Indian in essence."

¹ Rajghatta C. Harvard B-school gets first Indian-origin dean. Times of India. 5 May 2010. URL: <https://timesofindia.indiatimes.com/harvard-b-school-gets-first-indianorigin-dean/articleshow/5891963.cms> (accessed: 11 June 2023).

Readers might have noticed that although India maintains an independent foreign policy, it remains closely aligned with the United States and the United Kingdom. This is reflected in education, culture, migration, and the appeal of business ties with partners from those countries. The alignment is not overwhelming, but it is certainly visible. Meanwhile, Russia's standing in these same areas has declined since the Soviet era. That said, the door remains open. Russia still benefits from a long history of cooperation with India, from the adaptability of Indian partners, and from the simple fact that even a country as large as India cannot engage exclusively with the United States and the UK. Indians are actively seeking new partners, and Russian businesses would do well to move quickly if they want to claim this space before less capable players get there first.

Culture and Sport

When it comes to trends in culture and sport, India is, on one hand, deeply rooted in its own traditions and, on the other, going through a phase I'd loosely call its "soft '90s"¹, drawing the comparison from our own history. I'm quite sure that certain national traits, especially the country's strong religious character, will keep this trend in check.

The key thing to understand is the healthy conservatism of Indian culture. Whether in theatres or other venues, Indian productions and traditional performances consistently take centre stage. The same is true in sport: cricket, which has long been part of everyday Indian life, is still wildly popular across the country.

When it comes to physical fitness, there's a clear generational divide, somewhere around ages 30 to 40. Most people over forty never had physical education at school, and as a result, they tend to be quite unathletic. Their bodies are simply underdeveloped. You can see it in their approach to exercise: middle-aged Indians, at most, might do a few breathing exercises from yoga, some light stretching, or something that looks like brisk walking. Incidentally, the idea that all Indians practise yoga is about as true as the

¹ Translator's note: The term "soft '90s" is a play on the more widely known "wild '90s," referring to the early post-Soviet period in Russia, marked by rapid social and cultural transformation.

stereotype that Russians are a nation of drunkards. Indian colleagues have often asked me if Russians really do drink vodka nonstop, to which I'd reply, "And is it true that all Indians are yogis?"

When I once asked an Indian cardiologist why so many of his fellow citizens avoid exercise – "Is there perhaps some deeper meaning to it?" I joked – he simply said, "Laziness". Personally, though, I'm more inclined to explain it by the climate. Most of India is just too hot.

It's a different story with the younger generation. Thanks to a mix of influences: the spread of Western culture (especially film), the rise of air-conditioned gyms, and the arrival of international education centres, a new fitness culture is taking hold among young Indians. More and more of them are getting into sports: lifting weights, practicing martial arts, playing football, volleyball, basketball. The gradual introduction of physical education in schools is also helping. At the same time, they're not turning their backs on tradition. Many of my athlete friends continue to practise yoga alongside modern workouts, experimenting with hybrid forms like power yoga. It's worth noting that sports clubs in India are still relatively rare and tend to be exclusive, members-only venues. That makes them ideal settings for building connections and holding meetings, a go-to for the younger business elite.

It's the same with theatres and live music shows— there just aren't that many venues. Indian audiences are far more enthusiastic about local productions, and that might explain why foreign performers, including Russians, rarely come to India: it's not always easy to fill a house. Still, there's a clear trend. Foreign culture is gaining traction, and it's often viewed as something elite. That's why an invitation to a concert or sporting event featuring foreign talent will almost certainly pique your colleagues' interest and will likely be received with genuine appreciation. Just keep in mind that in such cases, invitations should include their spouse. Events like these are excellent opportunities to meet people and maintain business relationships.

To conclude this overview, let me return to the "wild '90s" analogy: Western culture has the strongest pull on Indians aged 20 to 25. Many in this age group are pushing past the moral boundaries traditionally upheld by society. From what I've observed, the lifestyle common among wealthy youth—bold fashion choices, alcohol consumption, and often ostentatious smoking— seems to be a way of meeting needs that traditional culture tends to overlook: a thirst for novelty, rebellion, and self-expression.

It's unlikely this trend will sweep through Indian society as a whole, but a certain taste for self-indulgence is clearly taking root among the emerging elite. That's something worth keeping in mind in a business setting: sharing a fine whisky and a cigar can serve as a bonding gesture with younger partners. Just remember, the older your counterpart, the less appropriate such gestures may become.

A telling example of how cultural norms play out was Narendra Modi's handling of a scandal involving his marriage. When it emerged that the Prime Minister had left the bride, chosen for him by his parents, in order to pursue a political career, he faced criticism from conservatives and older voters. But the Prime Minister found a way out. His circle began spreading the story that he lives like an ascetic, having renounced even his personal life. That narrative quickly repaired his image in the eyes of most of the electorate.

With that, I'll draw a line under this overview of current social trends in India. Now let's move from the general to the specific: to what I half-jokingly call my "field notes." I'll share some real-life examples in the order I came across them while getting to know India – and likely in the order you'll encounter them too.

CHAPTER 6

Managing Negotiations



We arrived at the offices of Reliance Industries, one of the most advanced companies in India, fifteen minutes ahead of schedule, expecting to get down to business promptly. The meeting was set to discuss a joint venture that had received the blessing of both countries' prime ministers.

So, three full hours passed before negotiations actually got underway. What unfolded over those three hours took us slightly by surprise. Our Indian counterparts wandered in gradually, taking their turns in the meeting room and "chatting casually about Russia, India, the weather – all sorts of things. No one showed the slightest discomfort at the delay, even though the official start time had long since passed. We assumed they were waiting for someone important, without whom the meeting couldn't begin. That person would eventually arrive, only for it to turn out that someone even more important was still missing. When we gently suggested that perhaps we could get started, our hosts cheerfully replied, "Make yourself at home, relax, don't worry. Things don't move quickly in India." Finally, sometime

around two in the afternoon, the “most important” person poked his head into the room, said how glad he was to see us, and added that he just needed a coffee, then we’d begin.

Almost all of our subsequent negotiations followed the same pattern. Even after they formally began, we would typically spend hours warming up, often until around seven in the evening, drifting through minor details and taking frequent breaks. The real work usually began only after 7 p.m., and from that point, talks could continue until two or three in the morning, sometimes even longer.

This relaxed approach to time wasn’t unique to Reliance Industries. Throughout my work in India, I had to get used to the fact that being an hour late, or even more, was considered perfectly normal. That’s just how things work here, so make sure to build in plenty of extra time when planning your schedule.

One reason this unhurried and seemingly unfocused negotiation style persists is the sheer number of people on the Indian side. Even for a routine working meeting where your team might consist of four or five people, they could bring fifteen to twenty. On the one hand, this allows for a deeper understanding of the issue. On the other hand, it seriously complicates the discussion. People are constantly on the move, switching seats and breaking off into side conversations. It becomes hard to tell who you’re actually talking to, and who’s going to make the final decision.

At one point, when our project once again began to stall, SIBUR sent a dedicated crisis management team to India. From Moscow, it was hard to understand how the project could drag on for so long without ever progressing to the implementation phase. Negotiations had gone back and forth for two years over basic plans, then construction plans, with the terms, budget, and the rest in continuous flux. The conclusion seemed obvious: the collaboration with our Indian partners wasn’t being managed effectively. The view in Moscow was that the Russian side wasn’t assertive enough: to make the Indian side follow a strict timeline, identify a single decision-maker, sign a protocol after each round of talks, and ensure that the agreed schedule was strictly enforced. We made our case that we were doing exactly that. Unfortunately, it simply didn’t work with Indian partners, but nobody listened.

The crisis team arrived. From the moment they stepped off the plane, their readiness to “take charge” was immediately apparent: to teach the

Indian side, and the Russian project team as well, how the job should be done. They remained stone-faced, offering no response to the Indian hosts' attempts at small talk en route. But once negotiations began, things quickly went sideways. Right from the start, the large number of participants and their constant shuffling completely unsettled the crisis managers. Before long, they'd lost track of the discussion. When they tried to clarify who was actually in charge of the negotiations, they were met with a typical Indian response: "We are!" – each for their own part.

Matters got worse whenever a difficult issue came up. The Indian side would break off into thirty-minute discussions among themselves in their native language, once again shifting seats so often that it became impossible to tell who we were actually talking to. Time slipped away, and the effort to resolve everything in a single sitting unravelled. In the end, some sort of protocol was signed. The crisis team flew home with at least that small win, though they understood their negotiation strategy had failed. But even that protocol became meaningless at the first attempt to enforce it. The first milestone revealed that the Indian side had not fulfilled 90% of the agreed terms. Their answer was simple: "We've changed our mind and decided to revise the whole schedule. You'll need to come back for another round of talks." The crisis team quietly withdrew, realising there was no glory to be had here. The project continued with the same team that had started it, and over the next couple of years, through setbacks and small wins, negotiations finally reached the construction stage.

I can say that the negotiation style I've just described doesn't just reflect the social and psychological traits of Indian culture. It's also something they consciously use as a kind of "soft power". They rarely engage in hard bargaining; it simply isn't part of their business culture. Tough demands from the other side tend to get lost in endless discussion, talked into oblivion. They never say "no" outright. If they don't agree, they'll steer the conversation into an obviously unproductive direction. They keep their counterparts "simmering", wearing them down with long meetings, rotating participants, and so on. All of it is done, by the way, with genuine warmth and courtesy. It might feel like chaos to you, but the Indians themselves call it "managed disorder".

Be prepared for a crowd of people with impressive titles to show up at the table – presidents, senior vice presidents, vice presidents, directors, and so on. It may seem like you're surrounded by top-level decision-makers and that things will get sorted quickly. The title-holders themselves do a lot to keep up that impression. In reality, you'll soon realise you're looking

at a blend of democracy (India is, after all, the world's largest democracy) and Eastern-style hierarchy. Everyone gets to speak, but hardly anyone has real authority. Even small decisions often go to the boss. The actual power of these titled counterparts sometimes doesn't even match that of a department head in a Western company. Your main task is to find the person who actually makes decisions, or at least the one with the most direct line to them. Otherwise, you'll spend your time talking to people who aren't in a position to move your issue forward. That said, don't let those connections go cold. They help shape the information that eventually reaches the boss.

And now a couple of important points. No matter how capable your negotiators are, don't send only young managers to the meeting. The father is regarded as the head of the family in India, and everyone else falls below him in the social hierarchy. In family businesses, the father, usually the founder, is still consulted on major decisions, even if it's the well-educated son who's running things day to day. The same respect for seniority applies in large companies, too. Serious appointments usually happen after forty, and people tend to reach top positions around fifty.

When we first sent in a team of bright, capable thirty-somethings, it was clear the Indian side felt some discomfort. After all, they were basically the age of their sons. So, no matter how smart or professional your people are, Indian partners will want to see someone older, someone who, in their view, is truly in charge and can be trusted. That's the approach we took at SIBUR. We added a senior engineer from one of our plants to the team. The young and energetic ones kept running the process, but his presence restored their sense of natural, harmonious order.

When doing business in India, beware the tempting illusion that a signed MOU, contract, or protocol holds magical power. In practice, Indians tend to treat these documents as statements of intent, and they're often willing to revise them quite freely. Always check the final documents carefully before signing. There's no guarantee the wording will match what was agreed. You may find that some clauses favourable for your partner have crept back in. But don't take it as deception: that concept doesn't really apply here. It's standard practice, and if you point it out, it'll likely be met with a joke or a mild shrug, and that's the end of it.

Be patient if you're genuinely interested in doing a project in India. The discussions will be long, the terms of the documents will change endlessly, but experience shows that if you don't quit halfway, you can walk away with a serious reward, even if it takes twice as long as you planned.

Try to set things up so that your partner handles all the local administrative, tax, registration, and legal matters. Indian government procedures are extremely complex and deeply bureaucratic. Your Indian partner will have a much easier time navigating them, especially if they have name recognition at the state or national level.

If you ask me, the best setup for doing business in India is a joint venture. But no matter how trustworthy your partner seems, it's wise to put all dispute resolution clauses under arbitration outside the country. Courts in India, like the bureaucracy, move slowly. And if your partner is influential, they'll always find a way to tilt the outcome in their favour. If something goes wrong, their temptation to push you out of the business only gets stronger.

Indians are well aware of how attractive their market is to foreign players, which is why they often try to set the terms of the deal: gently, but firmly. Large corporations may even find themselves getting strong-armed. It's not uncommon to see senior representatives of powerful Western firms spending four or five hours in the waiting room of an Indian boss, before finally speaking to them in a reverent tone.

So, to sum up what you need to know before entering negotiations with Indian partners:

Quick Summary

- Be tolerant, patient, and good-natured. Be ready for negotiations to take longer than you're used to.
- Time is perceived differently in India. To avoid sinking into eternity, find gentle ways to keep the process moving.
- If things seem unclear or your partner appears hesitant, get their position clarified. Otherwise, you won't hear a clear "no," but progress will stall.
- Don't be impressed by titles. Focus on finding the key decision-maker.
- Double-check the final documents before signing anything.
- If possible, set up a joint venture and let your partner handle local government procedures.
- Don't give up – not after the first hurdle, or the second, or the ones that come after that.

CHAPTER 7

Staff Recruitment



Once you've dealt with the organisational setup, the next step is hiring staff. Some companies may only require a minimal setup: a secretary, a driver, maybe a couple of assistants. Others will require a fully staffed office, possibly including production or sales personnel. Either way, the patterns you'll encounter in India are largely the same.

The Indian labour market differs in several key ways from what we're used to in Russia or the West.

Let's start by restating the obvious: in India, the idea of "nothing personal, just business" tends to get sidelined. It's common to bring in family and friends first. Across the board, in small, medium, and even large businesses, most companies are family-run and passed down through generations. The exceptions are state-owned corporations and local branches of Western firms, which make up a small minority. Indians themselves see this as a major

advantage. You'll often see people showing up at negotiations with their father, mother, grandfather, uncle, and so on, signalling that the business is deeply rooted in family, and that the current head of the company (or hired manager) didn't appear out of nowhere, but comes from a family and has a senior relative in an advisory role. For Indian businesses, family involvement is a marker of stability and tradition, and in practice, that's exactly how it works.

You'll notice that the planning horizon in India tends to stretch much further than anywhere else. Indians are in no hurry. Sometimes they enter into partnerships for political reasons alone, with no expectation of immediate return. Business, as they see it, doesn't grow in sudden leaps. It grows bit by bit, over decades. If the business was started by a grandfather or great-grandfather, the children and grandchildren will almost certainly carry it forward.

Indians don't view life through ideas like "this is my life alone," "live in the moment," or "you have to make it in time." Instead, they see themselves as part of a continuous flow, an unbroken chain of lives connecting their ancestors and descendants. This philosophy encourages a broader, long-term view of business and supports a more deliberate working rhythm. It also explains why Indians tend to rely on family and close friends in professional matters: prosperity isn't seen as the achievement of one individual. It's the product of long-term effort across generations.

That said, don't assume Indians spend much time reflecting on any of this. It's a historically shaped, deeply rooted mindset that still operates largely unconsciously and continues to influence how Indians approach relationships. In every other respect, they're like anyone else: they want to make money, enjoy good food, and so on.

This generational way of thinking is also enabled by the fact that the state tends not to interfere. In India, government takeovers or reassignments of private property are rare. There are other reasons why family-run businesses are so widespread. One of them is the belief that a company run by relatives is more stable. A hired employee can easily walk away from the owner since they feel no attachment beyond salary. A relative, on the other hand, is likely to stay: walking away might be seen as a betrayal of shared family interests. This approach, which might seem completely unacceptable to Western colleagues, is viewed in India in a strictly positive light. And remember, motivation in India often works differently: it's not about self-expression or chasing the highest possible pay.

Because of everything I've described, many large companies in India are run by extended families. Whether for senior or junior roles, preference is typically given to both close and distant relatives. You'll often find small and mid-sized businesses run by family dynasties. In many such companies, even fourth- or fifth-degree relatives are brought in – the kind of extended family most Russians wouldn't even know they had – filling every imaginable role, from security guard to courier. Indians see this not only as a tradition, but also as a kind of social responsibility: a way of looking after their own.

I've come to appreciate the logic behind family-run businesses. You can debate how efficient or productive it is, but there's no question that it helps hold society together. Indians have a remarkably strong connection to ancestral memory. If you ever attend an Indian wedding, you'll see that even the most distant relatives, neighbours, and friends of all ages are invited. At one wedding hosted by a relative of our landlord, there were 4,000 guests. Even at my driver's wedding, he was earning what would be considered a good salary by Indian standards, and around 600 people showed up. He was genuinely surprised when I told him that in Russia, people usually invite only a few dozen of their closest family and friends. Unsurprisingly, weddings are a much more frequent affair and serve as a kind of social hub: a place to reconnect, celebrate, and even ask a successful relative for help finding a job.

Kinship in India is a foundational principle. It's widely accepted and actively cultivated. Having a family connection to someone at a company is considered an advantage when applying for a job.

Many companies draw staff from what you might call the second circle of close contacts – in other words, friends.

Only after that do the more familiar recruitment channels come into play. There are, for instance, job posting websites. But a word of caution: these platforms mostly feature senior-level candidates, and even then, the pool is limited. While online recruitment is used, it still hasn't gained much traction or widespread popularity.

Industry conferences and trade fairs offer another good opportunity to meet potential hires. But again, these events mostly attract people already in top-level roles.

In my experience, the internet or conference networking might help you land a high-level candidate. But when it comes to mid-level managers or specialists of various kinds, it gets much harder. There's no shortage of profiles online, but plenty of them are duds. And at conferences or expos, this category is virtually absent.

Recruitment agencies still aren't widely used in India, but they're steadily gaining ground. Their fees are broadly in line with global averages. That said, they still don't have strong databases to draw from, but I'm confident that within ten years (counting from 2023), they'll become a serious force in the local recruitment market. For now, they're best suited to finding hard-to-find talent

In my experience, the single most effective resource for finding everyone from senior executives to unique specialists to support staff is personal connections. When searching for top-level hires — whether managers or niche experts — tap into your professional network: industry partners, competitors, heads of associations, or the legal and accounting firms that support your business. For administrative and auxiliary staff, you can rely on the same network, along with your broader circle of acquaintances. For instance, my driver was recommended by the landlord I rented my apartment from. My secretary came through a referral from someone at the accounting firm that handled our books. Most of these hires will turn out to be someone's relative, friend, or acquaintance, and the people who refer them will feel personally responsible for their performance. At the same time, the referred employees themselves tend to carry a heightened sense of accountability. After all, they were brought in by "one of their own." And when work issues arise, they often draw not only on their own contacts but also on the networks of those who vouched for them, who, in turn, tap into theirs. In other words, by hiring one employee, you're getting a whole "hive mind" in the bargain. To my surprise, the employees I hired through personal referrals turned out to be more reliable than those brought in through formal recruitment processes. Lower turnover, greater reliability.

Certainly, you can use all the other resources mentioned, just avoid placing ads in newspapers. You'll get such a flood of résumés that you'll drown in them. And in a foreign country, sifting through them to identify qualified candidates is no easy task. (The same goes for internet platforms.) The sheer number of people competing for jobs is something you notice immediately. Every candidate will claim to have the exact experience you need, and verifying those claims can be tough. Former employers, if you even manage

to reach them, will likely tell you that yes, the candidate did everything. After all, by local custom if someone worked for you, they're automatically considered the best employee in all of India.

So let me be clear: rely on referrals, and don't hesitate if someone offers up a relative or a friend. Just be ready: those you hire will probably start bringing in their own people. And that's not necessarily a bad thing.

Here's another tip: Indian candidates can often be bargained down on salary, simply because competition for jobs is so high. This also makes them highly mobile: for the right pay, many are prepared to commute three or four hours a day, or even relocate to another city. Rents are affordable, and Indians tend to be extremely undemanding when it comes to comfort.

Salary benchmarks exist only at the executive level, and those are roughly in line with global standards — there's usually little room for negotiation there, and people at that level know their worth.

Things get more flexible when it comes to mid-level managers and specialists. There are no fixed salary bands, so you can often work from your own budget. Candidates will frequently accept your terms as long as the offer isn't clearly below a reasonable level. You can also ask your local partners for informal salary ranges for the positions you're hiring for. The numbers may vary, but they'll help you settle on something that works for your business.

Once again, strong competition for jobs tends to favour the employer. A candidate may agree to less, especially if the offer comes from a foreign company, which is always seen as more prestigious and stable.

Quick Summary

- The primary channel for recruiting staff is through personal contacts and business partners.
- You'll most likely be offered friends or relatives of your contacts – don't be put off by this. This is a foundation of business stability here.
- When hiring top executives or rare specialists, combine personal referrals with support from recruitment agencies and industry-specific conferences.
- Be cautious with online platforms and newspaper ads: you'll be overwhelmed by résumés, with little chance of verifying candidates effectively.
- Salaries for senior executives are usually fixed and broadly aligned with global benchmarks.
- For middle managers and specialists, set salaries based on your requirements and budget. Fierce job competition makes Indian candidates very flexible: the chance to work for a foreign company and gain long-term stability often outweighs the appeal of a higher salary.

CHAPTER 8

Motivating Staff



Let's move on to the next part of the story. The team is in place, and now comes the challenge of building relationships and motivating them to work productively and effectively.

Motivation, in all its majesty, takes centre stage. It is one of the cornerstones of workplace dynamics. In fact, this is the area where foreigners launching businesses in India make the greatest number of mistakes. This is because Indian ways of thinking, values, and life philosophies stem from an entirely different civilizational foundation.

Equipped with Western systems of compensation and incentives, managers arriving in the East often rush to implement buzzword solutions such as grading systems, MBO (management by objectives), KPIs, performance pressure, and ambitious targets—assuming the Indian team should be driven by what the Western managers sees as higher-order human needs.

My experience at HR conferences in Russia (including the Vedomosti newspaper forums) and abroad reshaped my perspective on modern motivation theories and HR management practices. Ultimately, both were developed by a relatively small group of people who nonetheless believe their approaches apply universally. I do not question the effectiveness of these models in Western countries (or to some extent, in Russia), and I recognise that some breakthrough solutions may well have universal relevance. However, the majority of Western practices are poorly suited to a cross-cultural environment, and blindly applying them in India can do more harm than good.

The key point is this: traditional motivation theories (Maslow, Herzberg, and others) simply do not work in the East. For a long time, we couldn't understand why the managers we hired in India appeared exhausted and burnt out, while their peers at local companies remained consistently calm and positive. What helped us make sense of this was studying Indian approaches to HR management, both at our partners' companies and across other local firms. We also gained valuable insights from Indian HR forums. Our exposure to local HR practices made the fundamental divide between Western and Eastern approaches to motivation unmistakably clear.

Let's look at some hard facts.

1. In India, virtually all employees, from senior executives to workers, are paid a fixed salary. Bonuses are rare, apart from the annual Diwali bonus, generally equal to one month's salary. The same applies to project-based work. The reason bonuses are largely absent is that in India, success is defined by strict adherence to the process. Its integrity is considered the result in itself. Indian employees aim to receive the clearest possible instructions and rarely show initiative. Responsibility rests entirely with the leadership: the boss sets the task and gives detailed instructions on how to execute it, while subordinates, including much of the middle and even lower tiers of upper management, simply follow instructions to the letter. Once, before a scheduled bonus payout, I raised the issue that the expected result hadn't been achieved. The conversation quickly hit a dead end. My employees' reasoning was simple: "Boss, we did exactly what you told us to do"—and in their view, that justified receiving the bonus in the form of an extra month's pay. There is no expectation of ambitious performance targets,

let alone linking pay to whether those targets are met. Imposing such a system would clash with your employees' worldview and would likely result in resignations or a drop in productivity. I would challenge those who argue that Indians can be trained to work with KPIs and MBOs if there's enough competition for jobs. But competition is already a core feature of the Indian labour market, driven by sheer population size, and yet attempts to tie financial rewards to performance have repeatedly failed. This intense competition in India's labour market gives rise to several other important facts worth considering.

2. Salaries for middle managers, specialists, and workers are relatively low by Russian and Western standards. Only senior executives and uniquely skilled professionals can expect pay on par with global standards.
3. Employee benefit packages are generally underdeveloped. At best, they include travel reimbursement or modest corporate meals. (For context: even senior Indian executives typically drive cars like the Škoda Octavia, Honda Accord, or their equivalents. Only the most elite, living the ultimate dream, can afford a Mercedes or something comparable.) This presents a valuable opportunity to build motivation gradually and sustainably. There is no need to offer a full benefits package all at once: Indian employees are simply not accustomed to it. A phased introduction is more effective and helps reinforce loyalty over time: one year, health insurance; the next, mobile phone service; the year after that, something else.
4. An abundance of cheap labour – and it's manual! For next to nothing, you can hire dozens of rural workers for low-skilled, hands-on jobs. I was genuinely shocked, coming from Moscow, to find that my car was being hand-washed – inside and out – every single day, and it cost no more than the equivalent of 500 roubles a month.¹ On construction sites, concrete is still mixed by hand and hauled up in plastic tubs. This is completely normal, even on major government construction sites. The government intentionally limits automation to preserve employment. And

¹

Translator's note: Approx. INR 800 at 2012–2013 exchange rates

while that may sound absurd, this policy provides jobs and basic income for a huge number of people, and offers you a vast reserve of ultra-cheap labour.

5. Another feature that may challenge the expectations of a highly structured, MBA-trained Western manager is the use of job titles as a powerful non-monetary motivator. Don't hold back. While your organisational chart may end up top-heavy and more loosely structured, this approach enables you to motivate Indian employees effectively at no additional cost. Titles are highly valued in India, where status carries strong cultural weight: many professionals are even willing to accept a lower salary for titles like "director" or "deputy director". The title "manager," regardless of the actual role, refers strictly to mid-level positions. So whatever you do, don't call a director a "manager".
6. And finally: personal recognition or favour from the boss, supervisors here are typically addressed as "boss" or "sir", can also be a powerful motivator. For Indian employees, public praise or acknowledgement from a superior is highly meaningful. It often fosters personal loyalty – a widely recognised motivational factor in the region. When an Indian joins your company, they're not just exchanging labour for a paycheck. They may even become personally devoted to you, in the best sense of the word. A boss who is admired for strength, fairness, and respectful treatment of subordinates, while still projecting an "old-world" authority¹ mentioned earlier, can earn genuine personal loyalty, commitment to the company, and diligent work as a direct result of that personal commitment.

Taken together, these traits suggest that Maslow's theory plays out differently in the Indian context. Once the three basic needs are met, most Indians tend to prioritise harmony over self-expression or transforming the world. According to the Indian worldview, the world is eternal while life is fleeting. The world was, is, and will be; there is no urgency to change it. What matters is calmly carrying out what has been planned. If work doesn't deliver results, the issue lies not in execution but in the goal themselves: they were not in harmony with reality. The response is not to fire employees or cut their salaries, but to adjust the goals and move on. This is precisely why projects in India take two to three times longer than elsewhere. Keep this in

mind when planning work or assigning tasks to your team. Introduce KPIs and performance-based compensation systems gradually and with care. Avoid initiatives that push Indian employees out of their “comfort zone” – you’ll lose your team.

Harmony is both the highest good and the primary goal for Indian employees. This higher-order need is something you can, and should, actively engage with. Harmony can be nurtured through a high status or a prestigious title, which, for Indian employees, is not equivalent to self-realisation. Status is not a form of recognition, but a source of emotional comfort. It can also be reinforced by the personal respect and goodwill of the leader.

Quick Summary

- Maslow's hierarchy functions differently in India: once basic needs are met, many people seek harmony – a sense of order and inner peace.
- Be generous with titles and personal attention – it's a powerful motivator that doesn't cost a thing.
- The integrity of process execution is the true measure of effectiveness; for Indian employees, results-based approaches should be introduced gradually and with care.
- KPIs and MBOs are culturally alien: many Indian employees find it difficult to associate performance with financial incentive and are more accustomed to receiving an annual bonus for executing tasks exactly as instructed.
- Bonus systems are underdeveloped, even for senior executives; they're typically limited to a year-end bonus equal to one month's salary.
- Employee benefits are only beginning to emerge. They can be introduced slowly, over time: Indian employees are not accustomed to them and will genuinely appreciate such steps.
- Salaries for specialists and middle managers are generally lower than in Russia or the West. Only top executives and uniquely skilled professionals require special incentive schemes; for all other roles, intense labour market competition is incentive enough.
- Manual labour is extremely cheap in India due to the sheer size of the population, which is also why automation remains limited.

CHAPTER 9

Organisational Development



Now let's talk a bit about how Indian companies are structured internally. You don't need to dig into annual reports to get a sense of it – just look around you in everyday life: shops, pharmacies, clubs. The same logic applies to large corporations.

Take airport security, for instance. You'll be genuinely baffled by the sheer number of staff: one person checks your boarding pass at the gate, a second, just a few steps later, inspects the baggage tags on your hand luggage, and a third is stationed at the jet bridge, asking to see your boarding pass again – as if one could have teleported there without it.

At a pharmacy, the crowd behind the counter might leave you dizzy: there are more staff than customers. When I had the internet installed in my apartment, a team of five people showed up. They came back every day for a week until the job was finally finished, looking deeply satisfied with

their work. When I asked, "Why is it taking so long? Why are there so many of you? Are you installing the internet or launching a satellite?" they explained that the task was extremely complex and required multiple specialists. It was obvious that each of these "specialists" knew less than a single competent technician who could've done the job in half a day. At first, I politely asked them to finish on time. Then I tried putting some pressure on them, saying I'd take it up with their supervisor. Eventually, I started threatening to lock them inside the apartment until they got the job done. All of this achieved exactly nothing, other than costing me my peace of mind. The Indian contractors (and they weren't cheap, by the way) just kept working at their own pace, calm as ever.

The internet was eventually installed, though peace of mind didn't come with it. Internet connectivity in India is abysmal, especially in the evenings. For all four years, I was at times charmed by the situation, sometimes infuriated, and frequently found myself desperately trying to reach tech support, who were, of course, either asleep or eating.

You'll encounter the pinnacle of this kind of labour organisation when you submit a business project to a state government office for approval. The project will be reviewed thoroughly, and once they reach the "Headcount" section, they'll say approval will be granted, but only if you increase your headcount, for instance, from 300 to 1,000. No matter how convincingly you argue that you don't need that many people and wouldn't know what to do with them, the response will be simple: without this condition, the project won't move forward. That's how you'll end up with three times as many employees, and you'll be forced to divide responsibilities between them as best you can, leading to the same scenario you've already seen in Indian pharmacies and airports.

As you've probably guessed, this deliberate overstaffing once again, stems from the country's vast population. You can debate the efficiency of such a policy, but you'll still have to accept it; this is simply the reality of doing business in India. There's no concept of versatility, as tasks are split so narrowly and workers are trained to carry out only the simplest operations. Work that a single employee could handle elsewhere may be spread across three to five people in India. And they'll be genuinely convinced that doing it single-handedly is impossible.

The excessive division of labour limits employee autonomy, not only among workers, technicians, and administrative staff, but also among middle

managers. As a result, senior executives often take on double or even triple the workload, and delegation is all but impossible. A manager's task is to explain precisely what needs to be done, carefully review the results, and often correct the mistakes yourself. This is why situational management is rarely practised in India. The typical management algorithm for a senior executive in India is straightforward: assign tasks with detailed instructions, closely monitor the process and timing, and complete much of the work yourself. Practically, the Pareto principle holds true: 20% of the staff do 80% of the work.

It took me some time to adjust to the fact that in Indian companies, even senior managers, after delegating a task, often receive incomplete or unstructured work and end up refining it themselves. Meanwhile, the subordinates who submitted that material feel no doubt whatsoever that they've done their job properly.

Two additional factors reinforce this dynamic.

1. Indians typically refuse to perform tasks outside their official role. And this isn't just about occasional disagreements over job descriptions. This behaviour is rooted in traditional Eastern culture and caste-based hierarchy. As in the film "Kin-dza-dza," the "coloured pants ranking system"¹ is still alive and well: any Indian employee will take offence if asked to do something meant for a lower-ranking staff. Things taken for granted in the West, say, answering the phone at reception if the secretary has stepped out, simply don't work in India. Nor will I ask a secretary to wash the coffee cups. She might carry them to the sink, but washing them? That would be unthinkable. Even among the lowest-ranking staff, a chain of command quickly emerges. It's simply another manifestation of the social order.
2. By default, the boss is always right, at least from the subordinate's perspective. So, whether you set a general direction expecting feedback or initiative, or hand over a rough draft hoping it will be refined, you're in for disappointment. Early on, when I would receive formatted documents from my secretary that still included errors and unchecked information, I tried to figure out the reason

¹ Translator's note: The phrase "coloured pants ranking system" refers to a satirical element from the 1986 Soviet film "Kin-dza-dza," where social status is determined by the colour of one's trousers.

behind the sloppiness. The answer was always disarmingly straightforward: “Boss, you can’t be wrong. I did exactly what you asked.” This tendency becomes less pronounced higher up the hierarchy, but it never disappears completely. You can fight tooth and nail to get subordinates to think critically and refine ideas or documents, but they’ll do it hesitantly, with their hands trembling. And even then, you’ll still have to thoroughly review everything they submit – even finalised documents meant for public release.

These dynamics largely determine how Indian companies are structured. (Let’s set aside the largest national corporations: their scale allows for project-based management and matrix structures suited to more complex operations. Still, even there, much of what I’ve described in this chapter remains very much in place.)

Quick Summary

- Indian companies are predominantly organised in a linear hierarchy. Divisional structures do exist in larger firms, of course, but as noted, matrix structures and project-based teams are still rare.
- Functions are divided more narrowly than in most Western countries or in Russia.
- Cross-functionality is uncommon and generally discouraged.
- Be prepared to hire more staff than you need to meet regulatory requirements, and to come up with creative ways to keep them meaningfully engaged.
- As a result, standard performance metrics, such as employee productivity or staffing efficiency, often do not apply in the Indian context and may require re-evaluation.
- The number of direct subordinates ideally should not exceed five to seven, as senior managers are expected not only to give clear, specific instructions but also to take on much of the work themselves and closely check the work delivered by their teams.
- Workforce capability drops sharply at lower organisational levels. The lower the rank, the less qualified employees tend to be. Most workers are trained for narrowly defined roles and are not expected to be cross-functional. As a result, the bulk of operational responsibility rests with senior leadership, rather than middle management.

CHAPTER 10

Performance Appraisal, Talent Development, and Succession Planning



Today, these areas of the HR function are increasingly in demand. Staff development not only enhances administrative efficiency but also improves business performance and helps secure strategic partnerships. That is, if we're talking about the Western Hemisphere. In India, as in most other Asian countries, with the exception perhaps of the "Asian Tigers" and Japan, this level of focus on staff development is still uncommon.

I saw this firsthand while working with some of India's largest oil and gas companies, as well as with local offices of Western corporations. I also attended two nationwide HR forums in India, where I actively discussed these issues with leading HR directors from across a range of industries.

As of early 2023, the general pattern is clear: most Indian companies still lack a structured system for staff development. What exists are isolated elements: training sessions in various domains and team-building exercises.

But in 99% of cases, these activities are not informed by performance appraisal, analysis of competency gaps, or the development of individual learning plans. Such initiatives are typically ad hoc and disconnected from any broader development framework. Their objectives are usually limited to addressing a specific gap, introducing a handful of basic team-building techniques, or boosting day-to-day engagement.

This situation is a double-edged sword. On the one hand, you're likely to encounter a varying levels of employee readiness and obvious gaps in key business competencies (particularly in areas such as time management, delegation, and related skills) that, in Russia, for example, are typically taught at the university level and treated as part of the foundational business curriculum. On the other hand, this gives you a unique opportunity to shape the company's development from the ground up: you can independently diagnose capability gaps, set learning objectives, choose appropriate training solutions, and establish the metrics by which you'll evaluate both training outcomes and employee performance. This allows you to align your Indian business with your preferred management approach.

Additionally, taking the lead in this area can significantly boost employee motivation. Since corporate training still largely absent in most Indian companies, your investment in development will give you a competitive advantage and be genuinely appreciated by your staff. In other words, raising capability levels within the organisation will also deepen employee loyalty.

My recommendation: invest in foundational training – general management, people management, and, crucially, time management, delegation, and so on. The quality of education at India's typical universities, where the majority of professionals are trained, is generally low. Prestigious institutions and international degrees are accessible only to a small minority. For this reason, it's essential to select a reputable training provider, and such providers do exist in the Indian market. Begin by establishing a shared baseline: deliver core training to establish a shared managerial language and consistently communicate your values, operating principles, and performance expectations. This is the cornerstone of capability-building in most Indian companies. Without a solid foundation, it's premature to introduce advanced techniques.

A few practical considerations to keep in mind when implementing this general approach are as follows:

- The situation described above mostly applies to specialists and middle managers.
- Senior executives are usually well-educated, having graduated either from overseas universities or from India's top institutions.
- Right now, India is experiencing a bit of an MBA boom, similar to what Russia saw in the early 2000s. Most senior managers aim to earn a degree. The quality of these programmes is generally solid and provides adequate management competencies.
- When implementing performance evaluation procedures, keep in mind that many Indian employees take a more contemplative view of life and see harmony as a higher-order need. This means your focus should be less on outcomes and more on the accurate execution of the process. Even process-based KPIs shouldn't be linked to significant financial incentives – at most, they might justify half of an annual bonus.

In most cases, Indian businesses do not require a comprehensive performance rating system. A standard annual bonus, allocated using simplified appraisal criteria, is usually sufficient and most useful for identifying and developing a talent pool. This approach genuinely delivers results. Group high-performing employees into a distinct cohort and provide them with more advanced training, not just foundational courses, but also creativity-focused programmes. This is how you get the 20% of your team who will generate 80% of the business impact. The return on this investment will more than offset the cost of your corporate development initiatives.

Your talent pool can also serve as your internal succession pipeline. A full-scale succession planning programme is often unrealistic, given the generally low capability levels across the workforce. Fortunately, that may not be necessary: the labour market already offers a steady stream of candidates for routine roles. As noted earlier, senior executives and key mid-level leaders tend to carry most of the operational responsibility and have hands-on knowledge across a broad range of business functions. So, when mid-level managers or specialists leave, you'll still have operational stability: top managers who oversee all core processes can easily onboard new team members.

Quick Summary

- Performance appraisal and talent development remain at a formative stage in Indian business practice.
- There is not yet significant market pressure for companies to adopt these practices.
- Nevertheless, introducing them at a foundational level can be highly beneficial, helping to establish a shared operational framework built on common goals, values, operating principles, managerial language, and clear performance expectations. It also ensures a consistent baseline of knowledge, particularly for specialists and middle managers.
- Senior executives are generally trained to international standards. Most pursue an MBA, highlighting the near-cult status of business education in India.
- Don't try to roll out company-wide development programmes: the capability level of the majority of Indian workers is still too low for that approach. (One automotive company planning to expand production in India assessed the educational level of the male population in the Chennai region: 90% of candidates were found to have knowledge equivalent to that of a seventh-grade student in an average Russian school.)
- Instead, concentrate your efforts on the talent pool: these are the individuals who will drive your business forward. This is where your core investment should go, and where you should focus on building loyalty. For talent pool members, it's appropriate to apply performance appraisal practices and offer partial performance-linked incentives.

CHAPTER 11

Corporate Culture in Indian Companies



Some of the most pressing issues in contemporary HR research involve the development of corporate culture, strengthening employee loyalty, and boosting engagement based on the principle of partnership.

It really is an important and worthwhile topic: the cultural foundation of a business directly affects employee performance.

That said, these issues apply mostly to just a small part of the world. In the West, there's a wide range of business cultures to choose from when looking for a job.

In India, and in the East more broadly, things are much more conservative. National traditions often carry more weight than any standards introduced by local companies, let alone foreign ones.

The film “Outsourced” (dir. J. Jeffcoat, 2006) perfectly illustrates this dynamic. It follows an American sent to India to set up a call centre, who tries to impose Western standards on an Indian team. The film is spot-on in portraying what many of my colleagues from other foreign companies and I experienced when launching offices in India.

There’s no shortage of examples: I’ll focus on the most striking ones. Together with the film, they should give you a general picture of what it takes to shape corporate culture in an Indian company.

1. India is a profoundly religious country, and this holds true across all levels of social hierarchy, education, and so on. That’s why many employees keep small statues of Hindu gods on their desks. Don’t even think about trying to regulate this. You’ll damage your reputation, and beyond that... I’ve said it before: India is a country beloved by the divine. The deep religiosity of the people seems to create an invisible shield around the nation. Any intrusion into the sacred realm is bound to boomerang. I’ve experienced it more than once. Every attempt I made to keep religion outside the workplace ended in failure. What did happen instead was health problems and a loss of peace of mind. It felt as if the land itself was rejecting these unwelcome innovations, protecting its own. At first, I thought it was just me. But then my wife and many friends told me they’d experienced the same thing. Still, if you’re a devout atheist, you’re welcome to try it for yourself.
2. India’s deep religiosity is also one of the reasons behind its remarkable number of holidays. With such a wide mix of faiths in play, the calendar includes not only Hindu, Muslim, and Christian holidays, but many others as well. Festivals in India are fascinating to observe, but there’s a catch: on those days, Indians tend to make the most of their rest. What’s more, it’s common for people to celebrate holidays from other religions, regardless of their own. Naturally, there are official holidays recognised by law as public days off. But in practice, you’ll often find employees requesting leave on regular weekdays too, citing various religious observances. After a while, you may start to feel that India is a country of never-ending festivals and celebrations. This does require some management: don’t automatically give in to every request for time off. At the same time, when you arrive in the country, make a point of picking up an annual holiday calendar, easily

found in any liquor store: religious holidays are officially marked as “dry days,” when alcohol sales are banned to discourage public drinking during sacred times. As your work progresses, try to learn which holidays your employees actually observe. A small gift on these occasions can significantly strengthen your standing. As I’ve mentioned before, in India, engagement and commitment are based above all on personal loyalty. Trying to make people work during a festival is about as effective as the German company I once worked with attempting to ban the celebration of Victory Day on 9 May: it achieved nothing, strained relationships, and ultimately caused more harm to those who imposed it.

You’ll also want to be patient with another local custom: the occasional, though fairly frequent, tea breaks during the workday. Indians tend to take more time than we do to rest and have heartfelt conversations— don’t take that away from them.

3. Religious belief also underpins another key aspect of Indian culture: most people believe in fate and predestination. As a result, astrology enjoys wide popularity across the country. When we were selecting a date to sign a joint venture agreement with Reliance Industries, on the Indian side, the signatory was to be the company’s owner, Mukesh Ambani, the country’s richest and among its most highly educated individuals. The date was postponed several times at Mukesh’s own request. The reason was openly stated: he was consulting his astrologer. Many other key events followed the same pattern. This is entirely normal in India. From setting wedding dates to making high-level business decisions, astrology plays a central role. Presidents and senior executives at some of the country’s largest companies routinely consult astrologers, and some even keep personal astrologers.
4. The importance of family and a deep-rooted patriarchal tradition is another factor that shapes Indian corporate culture. At business meetings, it’s not uncommon for senior executives in their forties, fifties, or sixties to arrive accompanied by their parents. This is a way of signalling that the business stands on tradition, and that there are elders whose guidance they continue to seek. And this isn’t just symbolic; it reflects a genuine hierarchy of values. As long as their parents are alive, Indians, regardless of age, remain sons above all, even more than husbands or fathers.

Indians do not live “in the here and now,” as the Western model tends to promote. Slogans like “you only live once,” “tomorrow may never come,” “enjoy life now,” or “you don’t owe anyone anything, “live as you please,” feel completely alien. For an Indian, the family comes first. Their life is part of a continuous line: from their great-grandfather, grandfather, father, and then to their children, grandchildren, and great-grandchildren. Each person becomes part of this ongoing lineage, contributing to the long-term well-being of the family.

This family-oriented way of life gives Indian society a real advantage: it offers both stability and resilience. Families tend to be close-knit, divorce is rare, and a traditional, some would say natural, order is maintained: men are expected to provide for the family, and women to “keep the hearth” (that’s not to say the system is rigid: when needed or desired, women certainly do work). Elderly parents are looked after by their children, not by social services, and parents are expected to raise and support their children, to ensure they get an education and have a roof over their heads. No one sets off to “see the world” or “try everything” when their family is in need. India is broadly tolerant of different views on sexuality, but even here, traditional values prevail. “Ideas such as pride parades and the like simply don’t come up.”

5. Eastern-style hierarchy is another civilisational factor that shapes Indian workplace behaviour, despite the country’s democratic system of governance. In India, the boss is viewed as a genuine authority figure, certainly not a “first among equals.” Over-familiarity or attempts to establish peer-level relationships are likely to lead to misunderstanding. Such gestures are often seen as signs of weakness or diminished leadership. Indians place a high value on hierarchy. Flat organisational structures, with interchangeable roles, are entirely alien concepts. As mentioned earlier, managers in India often carry significant authority and may handle up to 80% of the team’s workload themselves. Even so, they won’t usually step in to cover tasks assigned to junior staff. The same strict hierarchy applies among junior employees as well. An effective Indian company is therefore one with a clear division of roles and responsibilities. Your staff must know exactly who is in charge and who reports to whom.

The key factors described above—religion, astrology, loyalty to patriarchal traditions, and respect for hierarchy — give rise to a distinct and notably singular type of corporate culture typical of India. Drawing on the classic typology, this resembles a hybrid of “role culture” and “power culture”. The other two models, “task culture” and “person culture”, are virtually absent. This distinct corporate culture, with only minor local variations, resists externally imposed standards and is largely impervious to change. International businesses have adapted to this reality by introducing only the most basic elements—time management and professional communication standards (especially via email). The country’s cultural foundations remain firmly in place.

A note on time management: here, unlike in many other areas, it pays to be firm, purely for practical reasons. If left unchecked, lateness can easily stretch to an hour or more. That said, even with strict scheduling, you’ll still need to allow an extra 15–30 minutes for meetings or events.

And two more things worth knowing:

1. Indians often wear a great deal of gold jewellery. Don’t try to impose Western minimalist standards; in the East, gold signals status, not poor taste, as some Europeans and Americans might claim (perhaps out of quiet envy). A tasteful ring, in fact, could play to your advantage.
2. Even in 40-degree heat, long-sleeve shirts are common. In India, they’re seen as a sign of affluence; only someone well-off would wear them. While Indians are generally accustomed to relaxed Western dress codes, short sleeves may still draw the occasional sidelong glance in formal settings.

Quick Summary

- The corporate culture across Indian companies is remarkably consistent overall. It reflects a blend of "role culture" and "power culture".
- The key forces shaping this culture are the near-universal religiosity of Indian society, widespread belief in fate and the resulting prominence of astrology, deep loyalty to patriarchal traditions, and a deeply rooted respect for hierarchy.
- The core features of Indian corporate culture are clearly defined roles, a well-understood and respected hierarchy, and the dominant position of "the top boss". Attempts to introduce democratic practices or, conversely, to impose rigid authoritarianism often lead to a breakdown in team cohesion.
- It is essential to show respect for employees' religious beliefs, holiday observances, and cultural traditions.
- Engagement and commitment are based above all on personal loyalty.
- Modest gifts and low-cost team activities are greatly valued—they play a key role in strengthening employee loyalty.
- Take an interest in the families of both partners and subordinates; it's a simple way to build trust.
- Stay firm when it comes to time management.



CONCLUSION

Best of luck in Fairy-Tale Land!

And so, dear reader, I've tried to share my experience of living in India as vividly and clearly as possible, without veering off into unnecessary complexity, and to some thoughts on how to work with people in this fascinating, contradictory, and often mysterious country. Looking back on the years I spent there, I can say that I've come to love India and deeply respect it, even if I never fully grasped or embraced all its cultural foundations.

Still, my aim wasn't to explain everything: it was to offer a practical framework for doing business in India. I truly hope you found the book engaging and that my "field notes" will help you find your footing quicker in this cross-cultural environment. Of course, I do not claim the ultimate truth. Despite the ground it covers, this book remains a personal reflection on India.

Remember: when it comes to understanding the East, it's better to trust your feelings than your logic. Love India, and India will love you in return.

Let me end by wishing you success in all your endeavours here. You've got every chance – India offers vast potential and a deep pool of resources.

And with that, I bid you farewell – and invite you to take a moment with the photographs: snapshots from Indian life that complete the picture.

With gratitude to you, the reader, and with love to my wife Viktoria and our sons Alexander and Vladimir, to whom I dedicate this book.

PRACTICUM: FIGURES AND FACTS

Historical India and the Impact of Key Events on Geopolitical, Economic, and Social Dimensions?



The history of India is that of a civilisation which has preserved its cultural distinctiveness while absorbing the social experiences of other cultures. The Indian ethnos emerged from the first wave of human migration out of Africa, later intermingling with Aryan tribes of the second wave. It absorbed the foundations of statehood and societal organisation derived from Eastern hierarchical models during the period of Muslim rule, and subsequently internalised British democratic structures and institutional mechanisms during colonial rule. As a civilisational entity, Indians have remained Indian, having traversed a long and eventful historical path shaped by intensive cultural interaction and mutual influence.

To meaningfully grasp the complexities of this historical process, including the succession of ruling dynasties, pivotal events, and influential figures, it is advisable to consult additional scholarly literature on the history of India. This manual provides a concise account of the essential knowledge a businessperson should have to gain a basic understanding of India's historical dynamics, interpret the roots of particular developments, sustain informed conversations, and make a favourable impression on Indian counterparts.

The Indian people emerged through the arrival of African tribes on the Indian subcontinent, followed by their intermingling with Aryan groups that constituted the second wave of migration into the region.

The earliest formally recognised historical periods correspond to the Harappan civilisation (3rd millennium BCE) and the Vedic civilisation (2nd–1st millennia BCE). Only archaeological remains survive from the Harappan period, whereas the Vedic period is known through early written sources. The Vedas, initially transmitted orally and later written down, functioned both as a medium of communication with the Indian deities and as the foundational corpus for subsequent Indian philosophical systems and conceptions of the world.

There are four Vedas: the Rigveda, Yajurveda, Samaveda, and Atharvaveda.¹

In written form, they convey insights into the evolution of Indian society and key historical developments. During the Vedic period, the settlement of Aryan groups and their assimilation with the earlier tribal populations of the subcontinent gave rise to the principal ethno-linguistic communities that make up much of India's demographic structure today: Hindustanis, Marathis, Bengalis, and Biharis.

During this same period, the varna-caste system began to take shape as a form of social stratification dividing society into four varnas: **Brahmins**, associated with religious mediation and governance; **Kshatriyas**, responsible for governance and warfare; **Vaishyas**, engaged in trade and artisanal production; and **Shudras**, assigned service-oriented roles. **The varnas** represent the primary social estates of Indian society. **Castes**, by contrast, are endogamous social groups defined by hereditary occupation and strict limitations on professional mobility. These caste groupings exist within the broader varna framework and are far more numerous.

A particularly significant period in Indian history was the era of Muslim conquest, which extended from the mid-seventh century until the onset of British colonisation. This era witnessed the establishment of Islamic sultanates, including the Delhi Sultanate, and reached its peak under the

¹ The Vedas are the most ancient sacred texts of Hinduism, composed in Sanskrit.

Mughal Empire. During this time, a model of Eastern hierarchical governance became deeply embedded within Indian society, a structure that continues to this day, although subsequently reshaped under the influence of British democratic principles. This period also marks the early origins of Hindu-Muslim tensions, stemming from episodes of religious persecution against adherents of Hinduism and the destruction of Hindu temples. These historical grievances are actively invoked by the ruling Bharatiya Janata Party (BJP) under Narendra Modi as a means of consolidating Hindu identity, including through anti-Islamic rhetoric.

The period of Muslim conquest also produced an exceptionally rich architectural legacy, which was later substantially expanded during British colonisation. Many of the structures now regarded as symbols of Indian national heritage—such as the Taj Mahal, various similar temples, the India Gate, and Victoria Terminus (now Chhatrapati Shivaji Terminus)—were constructed during these two eras. It was throughout these periods that the formation of modern India was completed: a society deeply interwoven with Muslim cultural influence, having absorbed principles of Eastern hierarchical governance and statehood, and, under British rule, gaining national infrastructure, the English language as a unifying medium of communication, key institutions of modern statehood, a legal system, and, unusually for the East, a democratic tradition that ultimately took root in Indian society. British involvement in India began in the eighteenth century with the establishment of the East India Company. In 1858, direct rule by the British Crown was instituted, and in 1876, Queen Victoria of Great Britain was proclaimed Empress of India. The British withdrew only in 1947.

The formative period of the Indian nation—or, more precisely, of Indian civilisation in its contemporary form concludes with the end of British rule and the attainment of independence. The twentieth and twenty-first centuries have been marked by a dense sequence of events associated with the construction of a new Indian state, beginning with the 1947 partition of British India into India and Pakistan, and followed by the later culminating in the secession of Bangladesh.

Key Events in Modern Indian History

- **1947** – India attains independence. The Indian National Congress (INC), one of the principal political parties within India's political structure, assumes power.
- **1948 / 1965 / 1971** – Indo-Pakistani wars. A critical development in the context of Soviet-Indian relations was the Soviet Union's support for India during these conflicts.
- **1949** – Adoption of the Constitution. India is declared a republic; the caste system is formally abolished, and an attempt is made to assign Hindi the status of the sole national language.
- **1955** – Further consolidation of Soviet-Indian relations. The USSR adopted a position of neutrality in the Sino-Indian War and became India's primary arms supplier, accounting for as much as three-quarters of total military imports.
- **1961** – India became a founding member and one of the leading states of the Non-Aligned Movement, a coalition of Third World nations that chose not to align with either the capitalist or socialist blocs.
- **1962** – Sino-Indian War.
- **1980s** – Rising separatist movements, particularly the Sikh campaign for an independent Punjab. The decade also witnessed internal crises within the Indian National Congress (INC), culminating in the assassinations of Indira Gandhi and Rajiv Gandhi.
- **1990s** – Large-scale economic reforms and liberalisation: the implementation of privatisation, tax restructuring, the removal of numerous bureaucratic hurdles, and the lifting of restrictions on private sector participation in several strategic sectors of the economy.
- **1998** – Nuclear tests conducted by both India and Pakistan.
- **2009** – Formation of BRIC (later BRICS).
- **2014** – The Bharatiya Janata Party (BJP) assumes power under the leadership of Narendra Modi. Its principal policy orientations include strict commitment to Hindu religious ideology (Hindutva), promotion of the Hindi language, the "India First" slogan, and a multi-vector approach to foreign policy.

Prominent Indian Statesmen of the 20th – 21st Centuries

Mahatma Gandhi (1869–1948) – leader of the resistance to British colonial rule. He founded a movement based on the philosophy of nonviolence and was instrumental in securing the British withdrawal from India in 1947. He also campaigned against caste-based discrimination, particularly targeting the marginalisation of the so-called “untouchables.” Gandhi was assassinated by hired gunmen while seeking peaceful solutions to the Indo-Pakistani conflict.

Jawaharlal Nehru (1889–1964) – India’s first Prime Minister, a close associate and disciple of Mahatma Gandhi, and a leading figure in the Indian National Congress. Following India’s declaration of independence, he succeeded in integrating the vast majority of princely states into the Indian Union. Nehru also laid the foundations for the country’s policy of non-alignment in international relations and promoted strong state involvement in economic development. He was the father and grandfather of Prime Ministers Indira Gandhi and Rajiv Gandhi.

Indira Gandhi (1917–1984) – daughter of Jawaharlal Nehru and twice Prime Minister of India, representing the Indian National Congress. She upheld the policy of non-alignment in foreign affairs. During her administration, Indo-Soviet relations developed significantly, laying a substantive foundation for bilateral friendship, the effects of which are still reflected in India’s generally positive disposition toward Russia. She was assassinated by her Sikh bodyguards following military operations to suppress Sikh uprisings, which included the storming of their sacred temple.

Rajiv Gandhi (1944–1991) – son and political successor of Indira Gandhi, who continued many aspects of her domestic and foreign policy. He was assassinated by members of the Liberation Tigers of Tamil Eelam (LTTE).

Atal Bihari Vajpayee (1924–2018) – India’s 11th and 14th Prime Minister, representing the Bharatiya Janata Party (BJP) in 1996 and again from 1998 to 2004. Widely regarded as the “father of India’s liberal reforms,” he played a pivotal role in accelerating the country’s economic development.

Narendra Modi (b. 1950) – the current Prime Minister of India, representing the Bharatiya Janata Party (BJP) since 2014. He previously served as Chief Minister of the state of Gujarat and was one of the principal architects of the so-called “Gujarat economic breakthrough.” A prominent political figure, Modi is known for his nationalist stance in domestic policy, a position that led to U.S. sanctions in connection with his alleged role in organising anti-Muslim pogroms in Gujarat. In economic matters, he adheres to liberal principles. Compared to his predecessors, he has succeeded in centralising political authority to an unprecedented degree within India’s democratic system.

Self-Assessment Questions

1. Which conquests or waves of assimilation had the greatest impact on the development of Indian civilisation, introducing both rigid social hierarchy and democratic institutions into its societal mindset?
2. Which political party unified India as a nation and led the country to independence?
3. From which two major political parties have the Prime Ministers of the Republic of India come over the past four decades?



PRACTICUM: FIGURES AND FACTS

System of Government in India



Political Status of Modern India

- India is a regional power with global ambitions.
- It is a full member of several major international groupings, including the G20, BRICS, the Shanghai Cooperation Organisation (SCO), the Commonwealth of Nations, SAARC, and the I2U2 (India, Israel, the United States, and the United Arab Emirates). India is actively pursuing a permanent seat in the United Nations Security Council.
- The country's political landscape and system of governance constitute a synthesis of Western democratic structures and Eastern traditions in practice.
- Persistent tensions between the central government and regional states, if exacerbated under certain conditions, could trigger a renewed surge in separatist sentiment.

Economic Status of Modern India

- India is the world's third-largest economy by purchasing power parity (PPP) and ranks fifth globally by nominal GDP.
- In 2021, the country recorded economic growth of nearly 9%.
- Major imports: crude oil and other fossil fuels, engineering goods, nuclear reactors and related components, plastics, and plastic-based products.
- Major exports: mineral fuels and petroleum derivatives, precious metals and gemstones, pharmaceutical products, nuclear energy equipment, and organic chemicals.

Social Profile of Modern India

- India is home to the world's largest middle-class population.
- It has a high proportion of citizens with tertiary education.
- Nevertheless, one-third of the population remains illiterate.

Political System

- India is a federal state composed of 28 states and 8 union territories, largely delineated along linguistic lines. The Constitution of India recognises 21 official languages. Both states and union territories are subdivided into districts.
- Under the Constitution of 1949, India is a democratic parliamentary republic in which the president serves as the ceremonial head of state without exercising real executive authority. Per the Constitution, legislative power is vested jointly in the president and the Parliament. Effective governance is carried out by the prime minister, who serves as head of government and leads the highest executive authority. The prime minister must command a parliamentary majority, and the president formally appoints the nominee.

- The Indian Parliament is bicameral. The Lok Sabha (House of the People), the lower chamber, comprises 552 members: 530 elected from the states, 20 from the union territories, all serving five-year terms; an additional 2 members represent the Anglo-Indian community. The Rajya Sabha (Council of States), the upper chamber, consists of 245 members: the majority are elected by the legislative assemblies of the states and union territories, while 12 are appointed by the president in recognition of distinguished service. The Lok Sabha may be dissolved by the president, whereas the Rajya Sabha is a permanent body and cannot be dissolved.
- Members of the upper house are elected by the legislative assemblies of the states, while members of the lower house are chosen through direct, universal, and secret ballot. Elections in India are considered genuinely democratic and are typically highly competitive.
- The head of state may be re-elected for an unlimited number of terms. The president holds the authority to dissolve state legislative assemblies and to impose presidential rule by transferring administrative authority to the state's governor.
- Executive power is exercised jointly by the president and the Union government. The government is formed by the parliamentary majority and is accountable to the lower house of parliament.
- A Council of Ministers is constituted under the president to assist in carrying out constitutional responsibilities.
- Each state maintains its own government, which operates with a high degree of autonomy from the Union government.

India has two principal political parties: the Indian National Congress (INC), which adheres to a socialist orientation, and the Bharatiya Janata Party (BJP), characterised by its national-conservative stance. The main political contest is typically between these two. In individual states, regionally dominant parties occasionally emerge – for instance, the Aam Aadmi Party (“Common Man’s Party”), which has repeatedly won elections in Delhi; the Communist Party in Kerala; and Shiv Sena, a nationalist party active in Maharashtra. However, such parties seldom achieve significant influence at the federal level. Both the INC and the BJP actively seek alliances with them to advance their respective political agendas.

The Indian media is considered relatively independent, with little to no direct government interference. There is a roughly equal number of newspapers and television channels that support or criticise the incumbent administration.

Despite the existence of well-defined democratic institutions, elements of traditional Eastern bureaucratic culture continue to play a significant role within both federal and regional agencies, particularly at the lower administrative tiers. The lower the level, the more pronounced the presence of everyday corruption, including widespread informal payments for administrative services, a practice commonly referred to as *baksheesh*.

A key feature of Indian governance is the absence of a rigid vertical power structure, regional subordination to the centre, or, even more so, business dependence on the state. Russian entrepreneurs often establish themselves in Delhi, the administrative capital, expecting to conduct business through bureaucratic channels, as is frequently done in Russia. However, unless the counterpart is a state-owned Indian enterprise, this approach is often ineffective. The federal government has limited capacity to influence private sector actors, and even its leverage over public corporations is relatively limited. It is therefore advisable to cultivate relationships with business partners at the local level and to prioritise engagement with the relevant state authorities in the region where operations are intended to take place.

In both business dealings and communication with Indian partners, it is essential to take into account Indo-Pakistani relations, which are rooted in both territorial disputes and religious antagonism. While India has no declared external adversaries in its foreign policy, its relationship with China is better described as a strategic rivalry for regional economic and political influence; it openly regards Pakistan as its primary adversary. Pakistan, for its part, maintains a reciprocal stance. This long-standing and periodically escalating conflict began immediately after the British withdrawal from India, following the country's anti-colonial movement. In 1947, prior to their departure, the British partitioned the territory into two states: India, with a predominantly Hindu population, and Pakistan, established as a Muslim-majority state. This division gave rise to a contested region in the northwest – Kashmir – which was split between the two countries. Approximately two-thirds of the territory (the states of Jammu and Kashmir) came under Indian control, while the remainder was held by Pakistan. The core issue stemmed from the fact that the population of Kashmir at the time was predominantly

Muslim. As a consequence of partition, communal violence and persecution led to the displacement of large segments of the population: Muslims fled from Jammu and Kashmir, while Hindus left areas administered by Pakistan. Since partition, Pakistan has laid claim to Indian-administered Jammu and Kashmir, a claim that India has consistently rejected. This has led to three Indo-Pakistani wars, none of which succeeded in resolving the dispute. The conflict remains the central source of tension between the two nations and continues to provoke intermittent military confrontations to this day. It is important to understand that both India and Pakistan possess nuclear weapons, including warheads and delivery systems. This remains a highly sensitive issue in discussions with representatives from either country. Neither side tolerates jokes, dismissive remarks, or any denial of sovereignty claims over the disputed territory.

Self-Assessment Questions

1. What is the constitutional framework of the Indian state?
2. Who is the head of state, and who exercises real political power in the country?
3. How is power distributed between the federal government and the states?



PRACTICUM: FIGURES AND FACTS

Traditional India

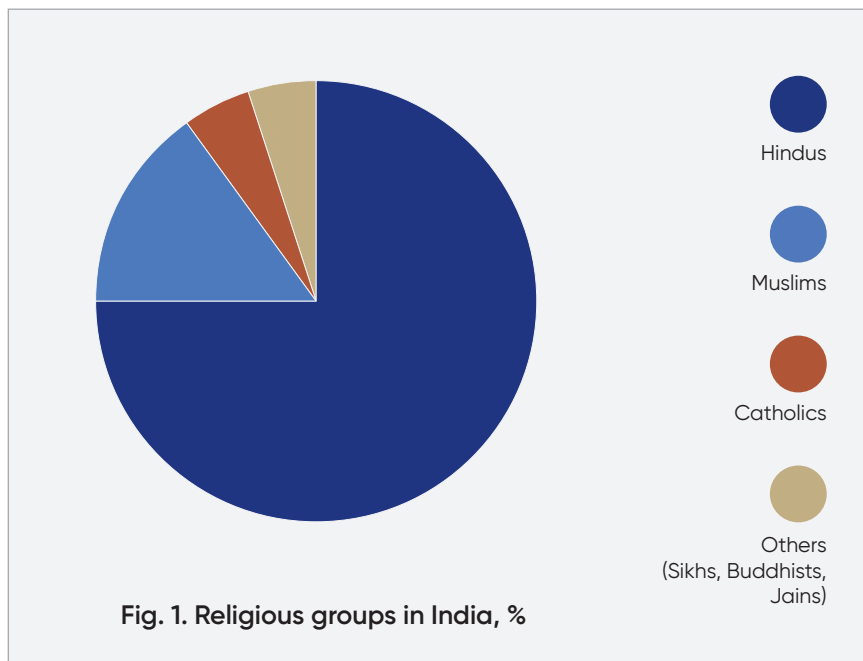


Religion has played a crucial role in the formation of the Indian nation. India's religious landscape is highly diverse, with Hinduism serving as the foundational faith. Hinduism encompasses a broad family of religions and traditions rooted in the Vedas and other ancient Indian sacred scriptures. It is characterised by polytheism: alongside the three principal deities – Brahma, Shiva, and Vishnu – the Hindu pantheon includes a vast array of regional gods. Hinduism is notably pluralistic in nature. It does not enforce rigid subordination of the individual to a deity, and it affirms the plurality of truth and tolerance for diverse worldviews.

Religious Groups in India

Hindus, adherents of Hinduism, make up approximately 70–75% of the population. Significant communities of **Muslims** (10–15%) and **Catholics** (around 5%) are also present. Together, these three religious groups account for roughly 85–90% of India's population. Although **Buddhism** originated in India in the 5th century BCE and subsequently spread widely across Asia, it now holds a marginal position domestically, with only 0.7% of the population identifying as Buddhist. **Sikhs**, easily recognised by their distinctive turbans and beards, form a religious community that developed from emerged from the broader Hindu cultural context. While they represent a relatively small share of the population, Sikhs occupy a prominent position in Indian public life, particularly in business and politics, due to their high levels of education.

India's religious diversity periodically becomes a source of social tension. Most incidents of communal violence, which remain relatively infrequent given the country's large and dense population, arise from religious conflict, primarily between Hindus and Muslims.



In contrast, social unrest is far less common, as it is tempered by religious beliefs and the varna–caste system. According to many scholars of the East, India is a society that has internalised class-based inequality as a social norm. Religion is frequently used as a political tool, particularly in anti-Muslim rhetoric aimed at mobilising Hindu voters and securing their support.

Indian society remains deeply religious, and the stabilising mechanisms mentioned above are not confined to isolated cases; they function across society and play a key role in containing widespread social unrest.

Socio-Cultural Characteristics

Caste-based discrimination is officially prohibited in modern India. However, because many professional lineages emerged within caste structures, the strong tradition of family-run businesses means that professional affiliations still often correlate with caste identity. It is possible, though difficult, for an outsider to break into a field traditionally dominated by another caste.

In rural areas, varna and caste identities are more strictly observed; in urban settings, they are far less visible. Nevertheless, even in large companies, individuals in equivalent positions may carry different informal weight depending on their varna background. Brahmins and Kshatriyas often retain a subtle sense of superiority over members of the other two varnas.

Outside the formal social order stand the “untouchables,” also known as Dalits. Dalits occupy the lowest level in India’s social hierarchy. They are typically associated with the most physically demanding and menial labour, including sanitation work.

Hinduism and the varna-caste system serve as key social regulators and political determinants throughout Indian history and public life. In a country of 1.42 billion people, where three-quarters of the population live in poverty (around 350 million below the poverty line and over 650 million hovering at the subsistence threshold), these two institutions play a stabilising role by mitigating class tensions. The caste system allocates individuals to specific occupational spheres, while religion provides this structure with ideological justification. One of Hinduism’s central principles is that a person must live out their destined role— in other words, to fulfil the dharma assigned to them

by fate. Doing so is regarded as the highest virtue and offers the possibility of a more fortunate rebirth, in accordance with the universal law of karma. Seeking to defy or abandon this ordained path is viewed as a grave sin. The contemplative attitude towards the world and the pursuit of harmony, seen as a core value, stem directly from these beliefs.

A distinctive socio-cultural trait in India, deeply rooted in history and likewise helping to moderate social tensions, is vegetarianism. Around 40% of the population, primarily Hindus, are vegetarians. This eases competition within the “food chain,” as the demand for meat, a costly commodity, remains low. Thanks to the favourable climate, which allows three to four harvests per year, agricultural produce is sufficient to meet the population’s nutritional needs.

When organising meetings or events, it is essential to consider dietary preferences, particularly by ensuring the menu is vegetarian-friendly and completely excludes beef.

From a civilisational standpoint, using the analytical tools developed by leading cross-cultural management scholars – Geert Hofstede (who identified key cultural dimensions such as power distance, individualism vs. collectivism, masculinity vs. femininity, uncertainty avoidance, and long-term orientation or strategic thinking) and Richard Lewis (who classified cultures into a triangle of types: linear-active– focused on results, careers, and logic; reactive – centred on respect, face-saving, and process; and multi-active– oriented towards communication, harmony, emotion, and family) – India can be described as a masculine culture. It holds traditional views on gender roles and places strong emphasis on family and care for both parents and children. At the same time, Indian society is markedly tolerant of non-traditional perspectives and does not practise overt discrimination, even though traditional values generally prevail.

India has a different perception of time. A common mindset is “everything happens in God’s time,” which means Indians tend to move with time rather than try to rush it or engage in detailed, time-bound planning. As a result, rigid KPIs or goal-based management systems are not widespread. Many Indian companies may even consult astrologers during business planning.

Power distance is high in India—a legacy of its historical development and deeply rooted Eastern hierarchical traditions. It is always important to identify the key decision-maker. Outwardly, however, Indians appear more democratic than, say, the Chinese, a trait often attributed to the influence of British rule. In terms of leadership behaviour and corporate culture, Indians

tend to be hierarchical, though not as rigidly so as the Chinese or Japanese. They are less concerned with “loss of face” and often see the boss, a term commonly used in Indian organisations, more as a firm but caring father figure than as a first among equals or visionary leader. For expatriates, it is important to respect this structure while maintaining a clear professional distance: showing respect for Indian culture without immersing oneself too deeply in it and preserving one’s own identity and civilisational background.

Indians do not strive to impose certainty on their activities or articulate plans in detail. They are comfortable moving with the flow of circumstances.

In organisational terms, they are more inclined toward collectivism, valuing process, communication, and harmony over outcomes. Performance is assessed by the integrity and coherence of the process itself, which is regarded as a meaningful experience. If the desired result is not achieved, the process is revisited and undertaken again, using the experience gained. What matters is that harmony is preserved, a principle that stands in contrast to values such as self-assertion and self-actualisation.

As for long-term orientation, Indians tend to think across extended time horizons that encompass not only their own lives but also those of their ancestors and descendants. They often speak in terms of enduring worldviews, such as “flow,” that evolve little over time, rather than in fixed plans or schedules with clearly measurable milestones.

Indians are expressive, talkative, and open in conversation. They comfortably wear both traditional and Western clothing. Sincerity is valued more than formality. The phrase “nothing personal, just business” does not apply here; the personal comes first. This is a culture built on personal relationships and introductions from respected figures.

When it comes to conversation, the following guidance may be helpful:

- do not ask about caste background;
- avoid discussing India–Pakistan relations;
- show genuine interest in your counterpart’s family, parents, and children;
- learn the names of famous Bollywood actors and cricket players – they are national icons in India;
- always accept invitations to lunch or dinner.

Indian society is fundamentally traditional, though Western influences have also made inroads. Some national characteristics include:

- adherents of each religion generally observe prescribed rituals, at least outwardly;
- an image of a personally revered deity is almost always present in an Indian's office or car;
- a portrait of the sitting Prime Minister is typically displayed in a civil government offices;
- greetings may be exchanged either by handshake or with hands joined at the chest in the namaste gesture;
- Indian families are traditionally close-knit, marked by respect for parents, multigenerational cohabitation, and extended care for children into adulthood;
- the whole family commonly gathers for lunch and dinner;
- caring for animals is customary in India, and all forms of hunting are prohibited.

Self-Assessment Questions

1. How do factors such as religion and the varna-caste system influence Indian society?
2. What are the similarities and differences between Indians and Russians according to the frameworks of G. Hofstede and R. Lewis?

PRACTICUM: FIGURES AND FACTS

Challenges, Needs, and Priorities of Contemporary India



The main policy frameworks identifying the key challenges facing modern India, as well as outlining its strategic development priorities, include:

- **Make in India (2014)** – This flagship initiative aims to attract foreign technology and investment into the Indian economy, with job creation as a central objective. The focus is on manufacturing or assembling products in India using overseas technologies. For market entry under this scheme, Invest India, a dedicated agency, assists in identifying the right partner, selecting a suitable location, and negotiating tax and other incentives with the relevant state government.
- **Digital India (2015)** – A programme focused on integrating digital technologies into 21 sectors of the Indian economy to automate at least 70–80% of industrial production and public services by 2030.

- **Smart Cities Program (2015)** – Aimed at equipping at least 100 designated Indian cities with digital governance infrastructure and services by 2030.
- **Self-Reliant India (2020)** – Although this initiative had been under development prior to 2020, it was fast-tracked in response to the COVID-19 pandemic. Its core principle is that every product or service should have a domestic manufacturer or provider to enhance economic resilience and safeguard national security. Where no such supplier exists, the relevant ministry is expected to take steps to create favourable conditions for Indian companies to enter the respective sector.

Contemporary India faces several key challenges and pressing needs:

- Despite significant economic growth, poverty remains a serious concern. Income inequality and disparities in access to education and healthcare also persist.
- While India has made notable progress in improving access to education, quality remains uneven, particularly in rural areas. Access to higher education remains limited for many. The country aims to achieve universal primary education and full literacy by 2050; at present, 30% of the population is illiterate.
- The healthcare system suffers from chronic underfunding, inadequate infrastructure, and resource shortages across many regions. According to the 2021 Global Health and Healthcare Index, India ranked 111th out of 167 countries.
- Although India is home to top-tier hospitals with state-of-the-art medical technology, making it a destination for medical tourism, the majority of the population still lacks access to quality healthcare.
- Although significant strides have been made in infrastructure development, India still faces an urgent need for further investment in sectors such as transport, water supply, and wastewater treatment.
- India is increasingly confronted with serious environmental challenges, including air and water pollution, deforestation, and climate change. These problems have a detrimental impact on public health and the national economy. In 2022, India ranked last out of 180 countries in the Environmental Performance Index, a study conducted by Yale and Columbia Universities.

- Women in India continue to face widespread discrimination and violence, and gender inequality remains a persistent issue.
- Unemployment is another major concern, particularly among young people. According to India's Ministry of Labour, the unemployment rate reached a critical 6.5% in early 2023.
- Corruption remains widespread in both the government and private sectors. According to Transparency International's 2023 report, India ranked 86th out of 180 countries.
- India faces serious security challenges, including terrorism, unresolved border disputes, and broader geopolitical tensions.

There are key development priorities of modern India:

- India must maintain its focus on economic growth to generate employment, reduce poverty, and raise the overall standard of living.
- Education is a cornerstone of India's development, and the government must prioritise improving access to quality education for all citizens. India is projected to achieve universal primary education by 2050, lower secondary education by 2060, and upper secondary education by 2085. Other studies project a 22% increase in higher education enrolment in the coming decades. By 2040, the number of Indians with higher education is expected to reach 112 million, a proportion that would place India among the world's leading economies in relative terms. If India succeeds in sustainably expanding access to higher education, the number of university graduates by 2040 could rival current levels in France, one of the world's leading industrial economies. This would mean more than doubling the proportion of Indian university graduates aged 25–34: from 27% (60 million) in 2020 to 47% (roughly 112 million) in 2040.
- India should prioritise healthcare by increasing funding, improving infrastructure, and ensuring universal access to quality medical services for all citizens.
- India must also focus on infrastructure development, including transport, energy, and digital systems, to support economic growth and national progress.

- Environmental challenges such as air and water pollution must be addressed through sustainable development and climate action initiatives. India already generates 40% of its electricity from non-fossil fuel sources and aims to raise this to 50% by 2030, with a target of net-zero emissions by 2070.
- Gender equality and the empowerment of women must also remain a priority, with equal access to education, employment, and leadership roles.
- India must also prioritise national security by modernising its armed forces and intelligence agencies, while promoting peace and stability across the region.

Let us now take a closer look at some of the aforementioned challenges, along with the main strategic priorities for addressing them.

Demographics

According to a 2022 forecast by NITI Aayog (the National Institute for Transforming India, the government's leading think tank on economic development and reform), India is projected to undergo a sharp slowdown in population growth over the next two decades. Forecasts at both the national and state levels through 2041 suggest that the country has entered the next stage of its demographic transition. India will first experience a period of demographic dividend and, as early as the 2030s, begin transitioning into an ageing society. Expected shifts in the population's age structure will require new policies in areas such as healthcare, elder care, the downsizing of educational institutions, and the development of retirement-related financial services. Government bodies will also confront pressing questions regarding state pension funding, income tax revenue, labour force availability, and the retirement age.

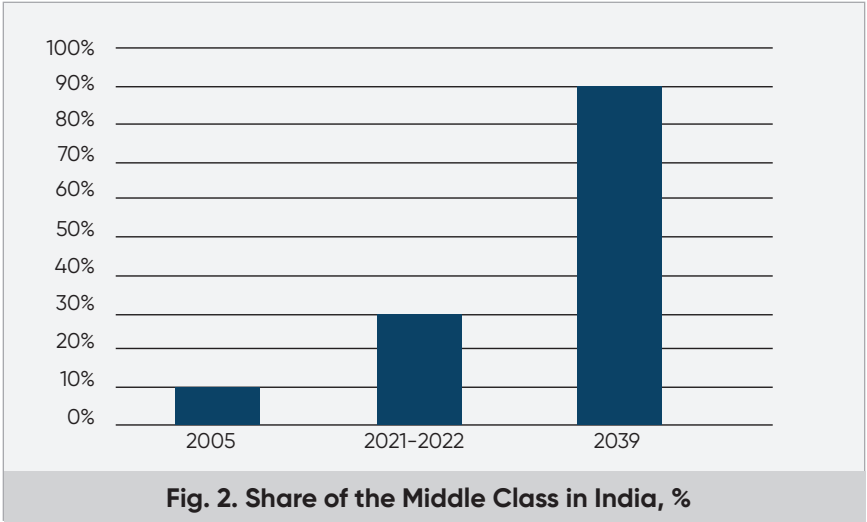
In addition, the number of school-age children in India is projected to decrease by 18.4% between 2021 and 2041. This is expected to have substantial social and economic consequences. In the near future, many states will likely need to consolidate primary schools to ensure their continued viability.

Currently, nearly 65% of India's population is under the age of 35. By capitalising on this demographic advantage and preparing for the ageing

phase described above, the country has an opportunity to drive economic growth through expanding its working-age population (aged 15 to 64). This group has recorded a compound annual growth rate (CAGR) of 2% since 2000. The term “demographic dividend” refers to this phenomenon: the economic boost made possible by a large proportion of young, working-age people. India has the opportunity to capitalise on its demographic dividend, as the working-age population reached only 50% of the total in 2007 and is expected to peak at 57% by the mid-2030s. However, realising this potential depends on the creation of meaningful employment opportunities for the country’s youth. This will require substantial improvements in infrastructure, the establishment of modern social protection programmes, and large-scale investment in education and healthcare.

For those already in the 25 to 64 age group, acquiring new skills is the only reliable path to higher incomes. There is an urgent need to develop skills and opportunities for women and girls that reflect their contribution to a \$3 trillion economy. According to UN projections, India’s working-age population will continue to grow until around 2050. In contrast, China’s working-age population has already peaked.

India is also projected to experience a sharp rise in its middle class: from about 10% of the population in 2005 to 90% by 2039. By 2030, nearly one billion people could be considered middle class, provided the country succeeds in boosting investment in physical and human capital, revitalising rural development, and reducing inequality.



Digitalisation

By 2040, more than half of India's population will still live in rural areas, while the future of 650 million urban residents will depend on the country's capacity to roll out smart infrastructure solutions. If India opts for low-cost basic infrastructure to rapidly serve its expanding urban population, it will be better equipped to tackle the transport and environmental issues that accompany urbanisation. Effective solutions for India will require integrating high-density urban technologies with systems that support sustainable and efficient growth.

India is also becoming a major force in the digital economy. The scale and pace of its digital sector surpass those of many other countries. According to Statista, India is expected to have 1 billion internet users by 2030 and 1.5 billion by 2040. More than 500 million people will gain access to digital content in regional languages.

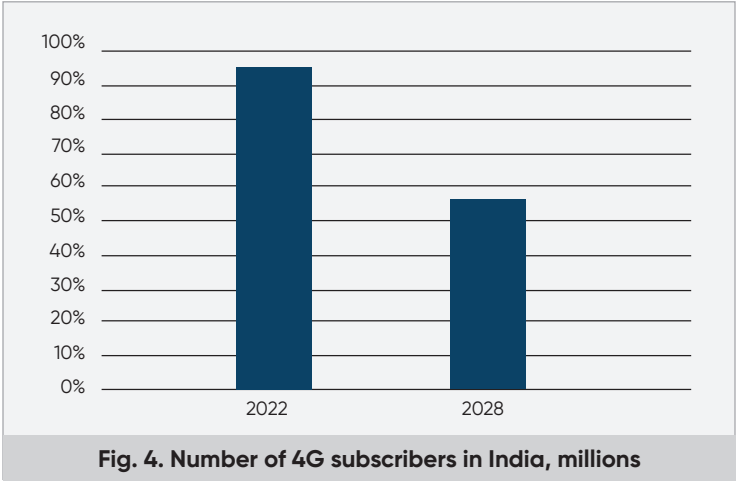
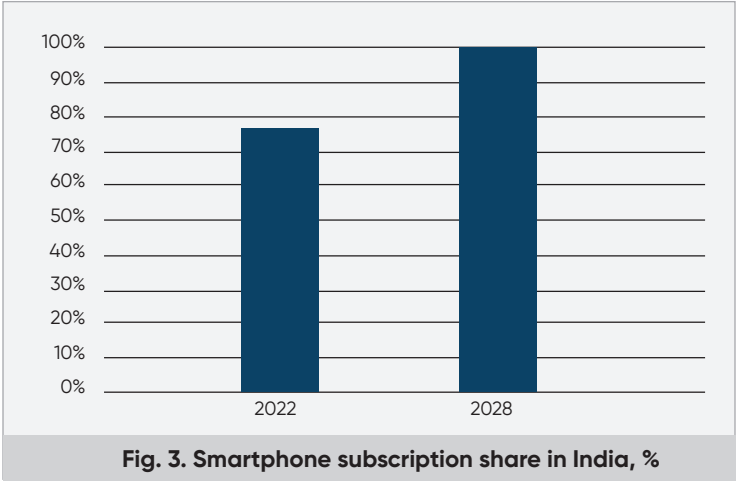
According to the KPMG report India's Digital Future, the main categories of users will include:

- Individuals who primarily speak English or Hindi and have annual incomes exceeding \$70,000, consuming global, local, and paid content;
- Users earning between \$8,500 and \$70,000, who will drive smartphone adoption, streaming services, and demand for regional content;
- Individuals earning between \$4,000 and \$8,500, who will consume free online content or OTT media via smartphones in Hindi or other regional languages;
- Users with inconsistent internet access due to poor connectivity or irregular income.

The second group of digital users is expected to become the largest in India over the next decade, fuelled by rising incomes, broader access to high-speed internet, and growing confidence in online engagement (51%). This category, which includes millennials (aged 35–50 by 2030) and Generation Z (new labour market entrants aged 25–35 by 2030), will help shift India's digital trajectory from passive consumption to more active engagement.

Rapid rollout of 5G by Indian telecom providers is expected to increase the number of 5G subscribers to 690 million by the end of 2028. India's population will reach 1.5 billion by 2025. Average monthly data traffic per smartphone is projected to increase from 25 GB in 2022 to around 54 GB by 2025. Smartphone subscriptions as a percentage of total mobile subscriptions are forecast to rise from 77% in 2022 to 94% by 2028. The number of 4G subscribers is expected to peak at around 930 million in 2024 before declining to approximately 570 million by 2028.

In 2020, smartphone penetration in India stood at 54% and is projected to reach 96% by 2040, more than double the 2016 level, when only about 23% of the population used smartphones.



Emerging Technologies

To promote the development of emerging technologies and support the rise of globally competitive Indian companies, the country's private sector will need to increase its investment in R&D, particularly to address challenges in developing markets, where India already holds a leading position. One estimate suggests that achieving a breakthrough will require raising R&D expenditure from 0.8% to 2.4% of GDP by 2034.

India's artificial intelligence (AI) market was valued at \$680.1 million in 2022. According to the IMARC Group, it is projected to reach \$3,935.5 million by 2028, growing at a compound annual rate (CAGR) of 33.28% between 2023 and 2028. The National AI Strategy prioritises five sectors expected to benefit most from AI: healthcare, agriculture, education, smart city infrastructure, and transport. AI could contribute up to \$1 trillion to the Indian economy by 2035.

According to a Bloomberg NEF report, India's passenger electric vehicle (EV) sales are projected to reach 2.6 million units by 2040. This would place India fourth globally, on par with Germany and behind only China (14.6 million) and the United States (9.7 million). Likewise, the share of internal combustion engine (ICE) bus sales is expected to decline to 21%, while electric bus sales are forecast to rise to 79% by 2040.

The Indian government's Make in India initiative is anticipated to boost demand for machinery and equipment in the domestic manufacturing sector. The country's construction equipment market, valued at \$5 billion in 2021, is projected to grow at an average annual rate of more than 8% between 2022 and 2028, reaching over \$7.5 billion by 2028.

Explosive growth is expected in India's construction sector by 2028, driven by government investment in infrastructure, mining, and renewable energy projects. This growth will, in turn, stimulate increased production of construction equipment.

India's industrial automation market was valued at \$10.72 billion in 2021 and is projected to reach \$23.09 billion by 2027, with a compound annual growth rate of 14.26% over the forecast period. According to the World Bank, automation could replace up to 69% of jobs in India by 2050. The Forrester

report "Future of Jobs Forecast, 2020 To 2040" estimates that automation may eliminate 63 million jobs by 2040, with another 247 million jobs at risk in automation-sensitive sectors such as construction and agriculture.

India currently ranks among the world's top 12 biotechnology hubs and holds third place in the Asia-Pacific region. The Indian biotechnology sector, valued at \$80.12 billion in 2022, is projected to grow to \$150 billion by 2025 and \$300 billion by 2030. Over the next 30 years, India aspires to become a global centre for biotechnology, recognised for its cost-effective and high-value innovations in biotherapies, including personalised and precision medicine, advanced enzyme technologies, genetically modified (GM) crops, and bioinformatics.

India's chemical industry, with a turnover of \$170–180 billion in 2021, is expected to grow by 9–10% annually and reach \$850–1 trillion by 2040, representing 10–12% of the global chemicals market.

Ecology and Climate

India has already met its 2030 target of generating 40% of its electricity from non-fossil fuel sources, and has now set a new goal of reaching 50%. Forecasts suggest that emissions could fall to 12 gigatonnes by 2050, with a national target of net-zero emissions by 2070. The National Green Hydrogen Mission and Green Hydrogen Policy aim to achieve energy independence by 2047.

Cooking, heating, cooling, and household appliances are the four main drivers of energy consumption in buildings. In one scenario, clean cooking (using liquefied petroleum gas, electricity, or natural gas), along with appliances and cooling systems, will account for most of the growth in energy demand through 2040. Traditional fuels used for cooking and heating, such as biomass, are expected to be replaced by cleaner alternatives, including gas and electric heaters, by that time.

Studies suggest that by 2050, temperatures in India could rise by 1.8°C under a high-emissions scenario. Under a low-emissions trajectory, the increase would be limited to 1.2°C. If India follows a high-emissions path, it is likely to face devastating climate consequences. Over the next 30 years, the duration of extreme heat events may rise by 15%, potentially leading to a

25-fold increase in heat-related deaths compared to 1990. These prolonged heatwaves could also decimate rice and grain yields, resulting in losses exceeding \$7 trillion and reducing farmers' annual incomes by 15% in the decades ahead. Furthermore, more than 64 million people live in low-lying coastal areas, and the cost of river flooding and inundation could surpass \$6 trillion.

The faster India adopts a low-carbon policy, the more limited and manageable the cascade of climate impacts will be. Capping the temperature increase at 2°C would limit India's climate-related economic losses to 2% of GDP by 2050.

By 2050, total water demand in India is projected to rise by 32%, with the industrial and domestic sectors accounting for 85% of this increase. Overextraction of groundwater, inadequate aquifer recharge, and declining catchment capacity due to unregulated urbanisation are all contributing to a dangerous disruption of the country's water balance. If current depletion trends persist, by 2050 India may have access to only 22% of today's per capita daily water supply, potentially forcing it to import water.

By 2030, an estimated 315,667 square kilometres, 45% of India's forest and tree cover, will become "climate hotspots" adversely affected by climate change. By 2050, this figure is likely to rise to 448,367 square kilometres, or 64%, facing significant climatic stress.

India's plastics market was valued at \$36.07 billion in 2020, and total revenue is expected to grow at a compound annual growth rate (CAGR) of 6.6% from 2021 to 2027. Estimates from 2022 indicate that the United States consumes 2.7 times more plastic annually than India. However, this gap is expected to narrow to 1.6 times by 2032 and nearly close by 2050. This also means that between 2022 and 2050, plastic consumption in India could quadruple, reaching 160.4 million tonnes by 2060. The problem, however, is that, according to the Organisation for Economic Co-operation and Development (OECD), the volume of waste generated in the process is projected to increase by a factor of 4.5.

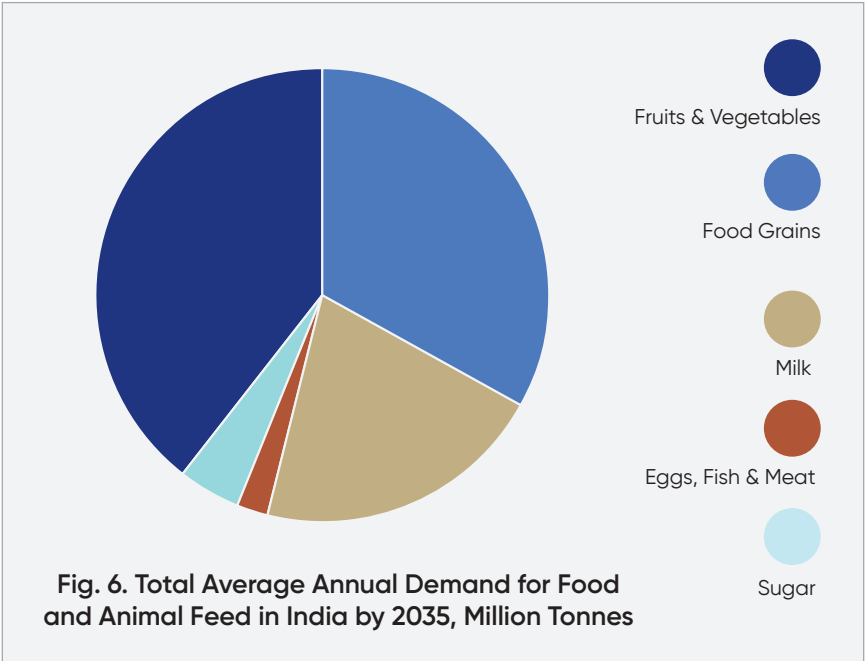
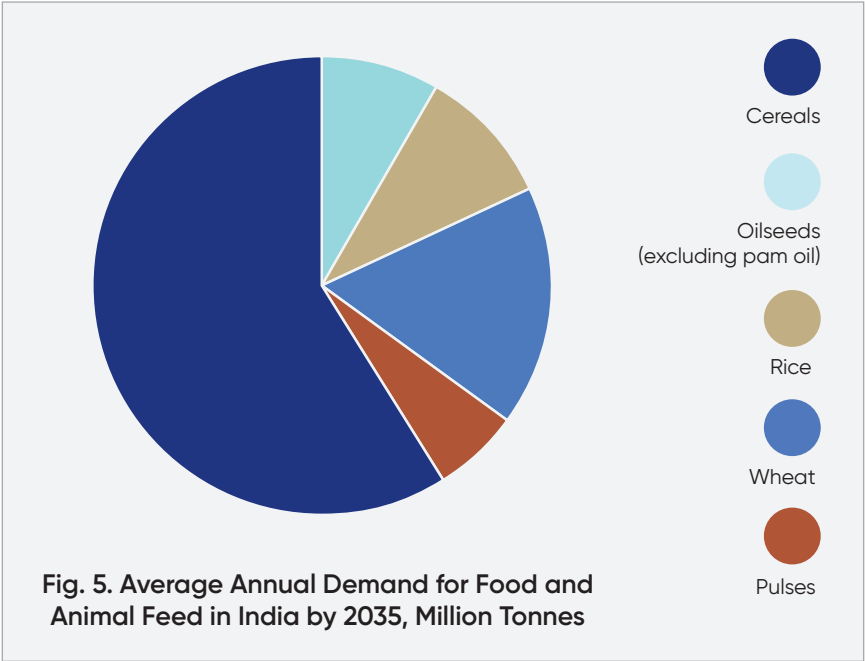
Food Sector

In 2023, revenue in the food market is expected to reach \$963.60 billion. The market is projected to grow annually at a rate of 7.23% (CAGR 2023–2027). At the same time, daily food production will need to reach at least 500 tonnes by 2040 to meet the demands of a steadily growing population.

Rising awareness of potential health risks associated with food has led to increased demand for health and wellness products and ingredients, and their broader application across the industry. India's food industry is poised for exponential growth, currently posting an average annual growth rate of 11%, with output projected to reach \$535 billion by 2025. This growth momentum is expected to continue in the coming decades.

By 2035, average annual demand for food and animal feed is projected to exceed 20 million tonnes for rice, 35 million tonnes for wheat, 12.5 million tonnes for pulses, up to 122 million tonnes for coarse cereals, and up to 17 million tonnes for oilseeds (excluding palm oil). Total demand for food grains is expected to reach 340–355 million tonnes. Household demand for liquid milk is projected to increase from 80 billion litres in 2021–2022 to 90 billion litres in 2032–2033. Sugar demand is expected to grow to 15 million tonnes, while demand for meat and meat products is projected to reach 13 million tonnes over the same period. Demand for fruits and vegetables is expected to increase to 167 million tonnes, according to household consumption data. Total demand during the forecast period will amount to 220 billion litres of milk, 46 million tonnes of sugar, 25 million tonnes of eggs, fish, and meat, and over 420 million tonnes of fruits and vegetables.

By 2050, food production density in most regions of India will need to rise to between 100,000 and 500,000 kcal per square kilometre per day, requiring food grain productivity to increase from 25,000 to approximately 46,000 kcal per hectare per day.



Healthcare

India's changing demographic structure will directly affect key sectors such as primary education, healthcare services, and retirement policy. Access to medical care remains a major challenge. If hospital capacity remains unchanged, even the expected slowdown in population growth over the next two decades will significantly reduce the number of hospital beds available per capita. This underscores the urgent need to expand healthcare infrastructure across Indian states.

By 2040, average life expectancy is expected to reach 75 years (77 for women and 73.2 for men). The infant mortality rate is projected to be 17.8 per 1,000 live births, while under-five mortality will stand at 22.2 per 1,000.

As life expectancy for both men and women in India continues to rise, raising the retirement age may come under consideration, in line with practices adopted in other countries. Such a step would be essential for ensuring the long-term sustainability of pension systems and could also encourage greater workforce participation among older women.

By 2040, the annual number of cancer cases in India is expected to reach 2.08 million, a 57.5% increase over 2020 levels. This rise is largely attributed to population growth and longer life expectancy. The number of patients requiring first-line chemotherapy has already grown from 9.8 million in 2018 to 15 million today—a 53% increase. To meet the growing demand for chemotherapy and cancer treatment, India will need 7,300 oncologists by 2040.

Energy Sector

As of March 2023, India became the most populous country in the world. Combined with ongoing urbanisation and industrialisation, this is set to drive a rapid rise in energy demand: over 3% annually between 2021 and 2030. This increase will also be fuelled by GDP growth, projected to exceed 7% per year during the same period and 4.4% from 2031 to 2040. Coal will account for one-third of this growth, with demand expected to surpass 770 million tonnes by 2030. Oil will cover another quarter of the rise, with consumption projected to reach nearly 7 million barrels per day by 2030.

Government initiatives such as the National Master Plan for Multi-modal Connectivity (PM Gati Shakti) and the Self-Reliant India programme are accelerating the adoption of renewable energy and electric vehicles. As a result, renewables are expected to meet 30% of the additional energy demand by 2030, largely due to a surge in solar photovoltaic capacity. By that year, renewables are projected to account for 35% of electricity generation, with solar alone contributing 15%.

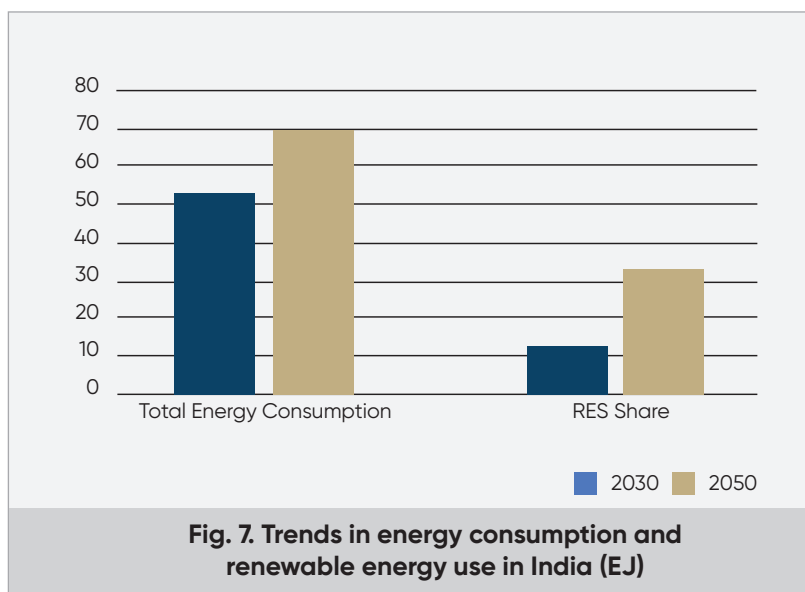
Despite India's substantial progress in expanding renewable energy and adopting efficiency-oriented policies, the sheer scale of the country's development means that the total import bill for fossil fuels is set to double over the next two decades, with oil continuing to represent the largest share by a wide margin.. This underscores ongoing risks to India's energy security.

Global steel production is projected to rise by around 10% by 2030 and approximately 30% by 2050, largely driven by growth in India, Southeast Asia, and Africa. Cement production is also expected to rise in response to ongoing urbanisation and industrialisation in Africa and India.

A substantial share of current investment in the energy sector is policy-driven, with government action playing a key role in shaping regional energy consumption patterns throughout the forecast period. A common trend across all regions is the rising contribution of wind and solar photovoltaic power, primarily due to falling costs and robust policy support in many countries.

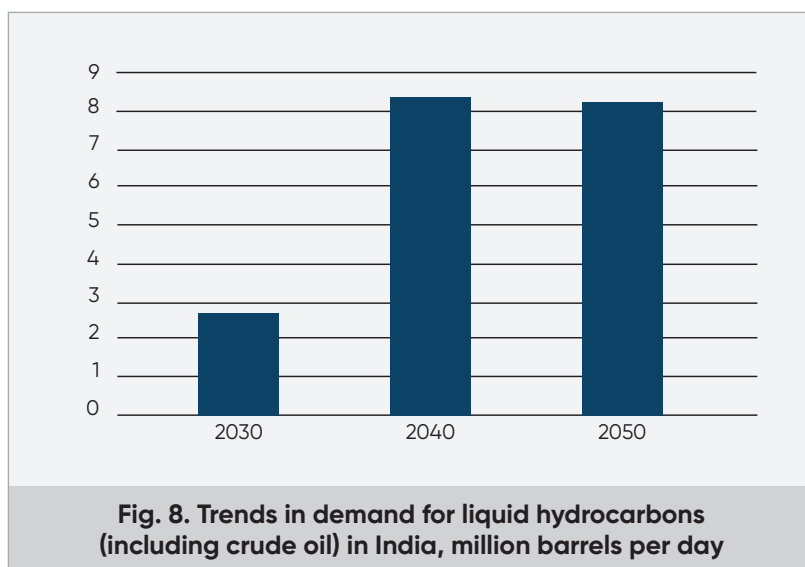
India's total energy consumption is projected to reach between 48.1 and 53.3 EJ by 2030, and between 56.3 and 70.2 EJ by 2050. The share of renewable energy is also expected to rise to 20%, reaching 10.9 EJ by 2030 and 34.2 EJ by 2050.





The main challenge for India is how to meet rising electricity demand through renewable energy sources (RES) and nuclear power at a scale large enough to reduce dependence on coal-fired generation, which currently provides nearly three-quarters of the country's electricity. Meeting this challenge will require further expansion of RE capacity and an increase in India's fleet of nuclear power plants, in order to phase out coal-based electricity almost entirely by 2050 without compromising grid stability. Projections indicate that by 2050, up to 40% of electricity will be generated from photovoltaic solar power, up to 20% from wind, up to 7% from hydropower, and about 5% from nuclear. Depending on the scenario, coal and other conventional non-renewable sources, or alternative RE technologies, may still contribute up to 15%. Hydrogen and ammonia are expected to play a minor role, contributing no more than 1–2% by 2050.

Electricity demand in India is expected to slightly exceed 2,100 TWh by 2030—around 1.7 times the 2021 level of 1,273 TWh—and is projected to reach an average of 4,800 TWh, which is roughly one-third of China's forecast total. India's share of global electricity demand will be approximately 18%.



India's demand for liquid hydrocarbons (including crude oil) is projected to reach 2.7 million barrels per day by 2030, a 40% increase from 2021 levels; 8.4 million barrels per day by 2040 (an 80% rise); and 8.3 million barrels per day by 2050, reflecting a slight decline. A similar downward trend in liquid hydrocarbon consumption is expected across other Asia-Pacific countries, except Japan. India is projected to meet about 90% of its oil and petroleum product demand through imports, reaching up to 1 million barrels per day (89%) by 2030, and increasing to between 3.8 and 8 million barrels per day (92%) by 2050.

India's gas demand is projected to rise from 66 billion cubic metres (bcm) in 2021 to 115 bcm by 2030. By 2050, depending on the scenario, it could either rise by 67% to 170 bcm or decline by 12% to 102 bcm. Most of this demand will come from the industrial sector. India's share of gas demand in the Asia-Pacific region is expected to reach up to 14% by 2050. Estimates suggest that domestic natural gas production will reach approximately 48 bcm by 2030 and between 53 and 78 bcm by 2050. Gas imports are expected to double to nearly 70 bcm by 2030, then grow more slowly, reaching 90 bcm by 2050.

Coal demand is forecast to peak around 2030, at between 704 and 773 million tonnes of coal equivalent. A decline is expected thereafter, with reductions of up to 40% by 2040 (to 420 million tonnes) and up to 65% by 2050 (to 243 million tonnes).

Space Industry

Over the past decade, India has steadily expanded its presence in the global space industry, with the Indian Space Research Organisation (ISRO) launching numerous successful missions. In recent years, the Indian government has also taken steps to foster private sector involvement in the country's space sector. By 2040, India may possess a robust space infrastructure, including multiple launch sites, a range of advanced rockets and satellites, and a skilled, experienced workforce.

Space start-ups, space parks, and satellite manufacturing services are expected to play a vital role in the growth of India's space economy, which is projected to reach \$13 billion by 2025. Key contributing segments include satellite manufacturing, launch services, ground operations, and satellite-based services. By 2025, satellite manufacturing is expected to have a market value of \$3.2 billion, the ground segment \$4 billion, launch services \$1.6 billion, and satellite-based services \$4.6 billion. Satellite-based services are projected to account for 36% of India's space economy in 2025, followed by the ground segment at 31%, satellite manufacturing at 25%, and launch services at 8.15%.

India has set a target of building its own space station by 2035. To achieve this, it is developing a next-generation launch vehicle (NGLV), with ISRO proposing collaboration with the private sector in creating this reusable rocket.

Satellite technologies play a crucial role across a wide range of sectors, including aerospace and defence, media and entertainment, banking, telecommunications, agriculture, remote sensing, and disaster risk management. By 2030, India could emerge as a major hub for satellite communications. ISRO has set an ambitious target of capturing 10–15% of the global market—valued at \$50 billion or more by 2030–2035—up from its current market value of \$7 billion.

Modern space-based systems that directly serve individuals and households, for example, satellite and broadband television, are increasingly geared towards mass markets, unlocking substantial potential to expand and diversify the user base. These systems may also become a key component of next-generation frameworks required for the continuous, long-term monitoring of the planet's health and natural resources, using sensor networks that are far denser than those currently deployed. In this domain, the integration of

space technologies and applications with emerging tools such as big data analytics and the Internet of Things is likely to play a transformative role. According to projections, India's space services sector could grow to \$40–50 billion by 2050, representing an eight- to tenfold increase over the next three decades.

Economic Scenarios

India's economy is forecast to surpass \$5 trillion in 2026–2027 and could grow to \$20 trillion by 2040, assuming GDP doubles every seven years and annual per capita income approaches \$15,000. India is comparatively well-positioned in the post-pandemic landscape and is expected to address governance-related challenges while sustaining consistently high growth rates, moderate inflation, a balanced fiscal stance, and a stable external value of the rupee. Some estimates project that India will achieve average real GDP growth of 4.4–6.5% over the medium term.

Under a more conservative scenario, India's nominal GDP is projected to reach \$10 trillion by 2040, tripling from its current level. The country will become the world's third-largest economy by a significant margin, with a size comparable to today's China, and will be firmly established as a middle-income country in terms of per capita GDP. The transformative effect of such growth will be substantial, as GDP per capita is strongly correlated with other indicators of a country's social, economic, and environmental well-being.

According to Oxford Economics, if current trends persist, by 2040 developing Asian economies will account for around 35% of global GDP, with India and China together contributing 29%.

State-owned multinational corporations (SOMNCs), most of which originated in China, India, Russia, Saudi Arabia, the United Arab Emirates (UAE), and certain EU member states, will continue to play an active role in international trade. By 2040, India has the potential to become a global trading hub, accounting for 6% (just over \$3 trillion) of global trade, competing with Germany as a leading global trader, currently second only to China. However, global trade share alone reveals little about the structure of this trade or India's trade balance, both of which will evolve over time. These outcomes will be shaped by key government policies that define the trajectory of India's industrial development and investment over the next 20–25 years.

By 2040, India could become a major investment hub, both as a destination for international capital and as a source of outbound investment, reaching foreign capital stock levels comparable to those currently held by China. In terms of outward foreign direct investment (FDI), India's annual outward FDI may match that of Japan by that time, granting it considerable global economic and political influence. According to some estimates, inbound FDI in 2040 will amount to approximately \$115 billion, while outbound investment may reach around \$1.5 billion.

India's exports are forecast to reach approximately \$380 billion in 2024 and \$410 billion in 2025. The share of manufacturing in India's GDP is expected to rise from the current 15.6% to 21% by 2031, and the country's share in global exports is projected to double. Under more optimistic forecasts, India is set to become a major engine of global trade, with exports growing at an average annual rate of 7.6% and reaching \$564 billion by 2030. Currently, 38% of global corporations already manufacture or intend to manufacture and supply products from India within the next five to ten years.

Sociocultural Factors

One of India's defining characteristics is its relatively low current level of urbanisation. Urbanisation is expected to rise steadily, potentially reaching 60% by 2050 (up from 45% today), driven by improved economic opportunities in cities as well as government efforts to promote the development of urban centres. The shift of people from relatively low-productivity agricultural work to higher-productivity jobs in manufacturing and services offers an additional source of potential growth in the coming decades. India's urban population is projected to surpass 600 million by 2030 and reach 850 million by 2050.

Most of the buildings that will exist in India in 2040 have yet to be constructed. Urbanisation is driving a significant increase in total residential floor area, from less than 20 billion square metres today to over 50 billion square metres within the next two decades. This is generating massive demand for energy-intensive construction materials. Cement demand is projected to more than double by 2040, while steel demand is expected to nearly triple. Infrastructure investments totalling \$1.5 trillion are expected to enable the creation of ten new cities the size of Mumbai, each with a population of 23 million, by 2040.

India is expected to achieve universal primary education by 2050, universal lower secondary education by 2060, and universal upper secondary education by 2085. Implementing and funding such a large-scale expansion of education may prove challenging. The central government currently allocates 3% of GDP to education—around \$63 billion annually—equating to just \$48 per student, compared to \$940 in the United States. The country will therefore need to raise its education budget to approach levels seen in developed nations.

Total revenue in the education segment is projected to reach \$49.01 million in 2022. It is expected to grow at a compound annual growth rate (CAGR) of 5.77% from 2022 to 2027, bringing the market volume to an estimated \$66.97 million.

By 2030, tourism is expected to contribute \$250 billion to India's GDP, create 137 million jobs, bring in \$56 billion in foreign exchange earnings, and attract 25 million international visitors.

Self-Assessment Questions

1. In your view, which government programmes in the areas of economic and social policy are most significant for India at this stage?
2. What are the main social and economic challenges the Indian government must address to elevate the country to developed-nation status?
3. What is the demographic dividend, and how can India take advantage of it at the present stage?

PRACTICUM: FIGURES AND FACTS

Macroeconomic and Industry-Wide Indicators and Support Programmes for Key Sectors

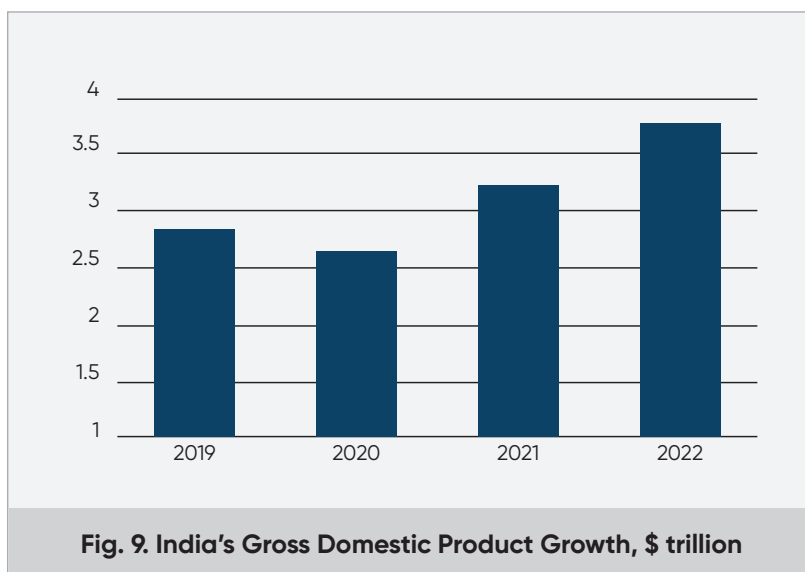


General Macroeconomic Indicators

India's gross domestic product (GDP) stood at \$2.8 trillion in 2019. In the COVID-affected year of 2020, GDP contracted by 6.6% to \$2.6 trillion, before recovering in 2021 to \$3.2 trillion (+8.95%). By 2022, it had increased further to \$3.8 trillion.

The GDP structure is dominated by the services sector, which accounts for over 54%. This includes information technology, banking and finance, transport, construction, and trade.

Agriculture contributes approximately one-quarter of GDP, with the remainder attributed to industry. Industry previously made up one-third of GDP, but its share has declined to 19% as a result of production shutdowns during the lockdown period.



India's economy is integrated with companies from countries such as the United States, Japan, the United Kingdom, Germany, France and the Republic of Korea. These firms are active in automotive manufacturing, the development of transport infrastructure, mining, and electronics. Foreign enterprises are also involved in metallurgy, hydrocarbon processing and transportation, power generation, and the production of fast-moving consumer goods (FMCG).

Manufacturing constitutes a core segment of industry, accounting for 78% of total industrial output. It is followed by mining (14%) and electricity generation (8%).

India possesses advanced technologies and expertise in metallurgy, oil refining, the chemical industry, agriculture and food processing, pharmaceuticals, mechanical engineering, and light industry. The country manufactures substantial volumes of non-ferrous metals, petroleum products, chemicals, food products, pharmaceutical goods, automobiles, machinery and equipment, textiles, electrical equipment, and metal products.

The principal institutions responsible for industrial development are the Department for Promotion of Industry and Internal Trade under the Ministry of Commerce and Industry of the Government of India, and the national investment promotion agency, Invest India.

India is expected to become a global manufacturing hub in the near future. The primary national programmes supporting this objective are Make in India and Self-Reliant India. In total, these initiatives cover 21 sectors with an aggregate investment potential of \$4.6 trillion. Each sector is supported by a dedicated programme that sets out the Government of India's strategic approach and defines key projects.

Foreign Direct Investment

In recent years, various sectors of Indian industry have attracted steady inflows of foreign direct investment (FDI). Capital has been channelled not only into existing, operational facilities, but also into emerging and high-potential industrial regions.

The top 10 sectors attracting FDI are: computer hardware and software; telecommunications; construction (infrastructure); automotive manufacturing; chemicals; energy; hospitality and tourism; renewable energy; electrical equipment; and pharmaceuticals and medical products.

In addition, electronics, engineering goods, and capital equipment are considered priority sectors, as India seeks to replace imported products with domestic manufacturing. India currently has 44 industrial zones and 357 special economic zones.

Chemicals and Petrochemicals

The market is currently valued at \$165 billion and is projected to grow to \$304 billion by 2025. The total volume of chemical production amounts to 47.8 million tonnes, with alkali chemicals accounting for 69% of output.

The Government of India has approved four Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) in the states of Andhra Pradesh (Visakhapatnam), Gujarat (Dahej), Odisha (Paradeep) and Tamil Nadu (Cuddalore and Nagapattinam), with the aim of promoting investment and industrial development in these sectors.

The PCPIRs are designed to enable specialised enterprises to benefit from co-location, integration, and improved efficiency by utilising shared infrastructure and support services. Each PCPIR encompasses an area of approximately 250 square kilometres, with at least 40% of the territory allocated to manufacturing activities.

Leading companies in the sector include ONGC Petro Additions Limited (OPaL), the Patalganga Manufacturing Division (PMD) of Reliance Industries Ltd. (RIL), Chennai Petroleum Corporation Ltd. (CPCL), Hindustan Petroleum Corporation Ltd. (HPCL), Oil India, Saudi Aramco, Gas Authority of India Ltd. (GAIL), and Indian Oil Corporation Ltd. (IOCL).

Automobiles and Auto Components

The Government of India considers the automotive industry to be one of the priority sectors under the Make in India initiative. According to the Automotive Mission Plan 2016–26, India aims to rank among the world's top three automobile producers and to increase vehicle and component exports by factors of 5 and 7.5, respectively. The market is expected to reach a value of \$300 billion by 2026.

Domestic companies manufacture over 90% of all on the country's roads and 100% of two-wheelers. Leading automobile manufacturers include Maruti Udyog, Tata Motors, Ashok Leyland, Mahindra & Mahindra, Hindustan Motors, Eicher Motors and Bajaj Auto. Key motorcycle manufacturers include Hero Motors, TVS Motor Company and Yamaha Motor India.

Approximately 50 manufacturing plants are operating in the country, 25 of which are joint ventures. The Indian market is also home to a range of global brands, such as General Motors, Ford, Honda, Suzuki, Škoda, Volkswagen, Volvo, BMW, Nissan, Renault, Hyundai and Fiat.

India continues to rank among the world's leading producers of tractors. The sector is led by 14 major companies, with Mahindra & Mahindra Ltd. holding a market share of over 20%, followed by Escorts (15%), International Tractors Ltd., Tractors & Farm Equipment, Punjab Tractors Ltd. and Eicher Motors Ltd. Most of these companies maintain close partnerships with well-established Western firms.

The Government of India is actively implementing policies aimed at attracting foreign capital into the automotive sector. Foreign direct investment of up to 100% is permitted. Between April 2000 and December 2022, the Indian automotive industry received \$25 billion in FDI. In the first half of 2022 alone, automobile manufacturers invested \$501 million in Indian start-ups specialising in automotive technology. In parallel, national centres are being established for automotive testing, research and development under the National Automotive Testing and R&D Infrastructure Project (NATRiP). In addition, a National Automotive Board is being set up to act as an intermediary between the government and industry.

Since 2015, five testing and research centres have been launched under the NATRiP framework:

- International Centre for Automotive Technology;
- National Institute of Automotive Inspection, Maintenance, and Training;
- National Automotive Test Tracks;
- Automotive Research Association of India;
- Global Automotive Research Centre

Pharmaceuticals and Medicinal Products

India's pharmaceutical market is valued at over \$55 billion. The country accounts for 20% of the global generic drug supply.

Leading companies in the Indian pharmaceutical industry include Sun Pharmaceutical Industries Ltd., Dr. Reddy's Laboratories Ltd., Cipla, Aurobindo Pharma, Lupin Ltd., Hetero Labs Limited, Emcure Pharmaceuticals Limited, Arechar Healthcare LLP, IPCA Laboratories Ltd. and Tara Kika Enterprises Pvt. Ltd.

Current development and support schemes aim to strengthen the domestic pharmaceutical sector by promoting the manufacture of medicines, increasing local production of key starting materials and intermediates, boosting output of active pharmaceutical ingredients (APIs), and advancing the medical devices industry.

Electronics and Home Appliances

The market is valued at \$65 billion, with projections indicating growth to \$400 billion by 2025. India ranks fifth globally in terms of production volume in this segment.

Government support for the consumer electronics and home appliance industry is provided through initiatives such as the Electronic Manufacturing Clusters Scheme, the National Electronics Policy, and the Phased Manufacturing Programme.

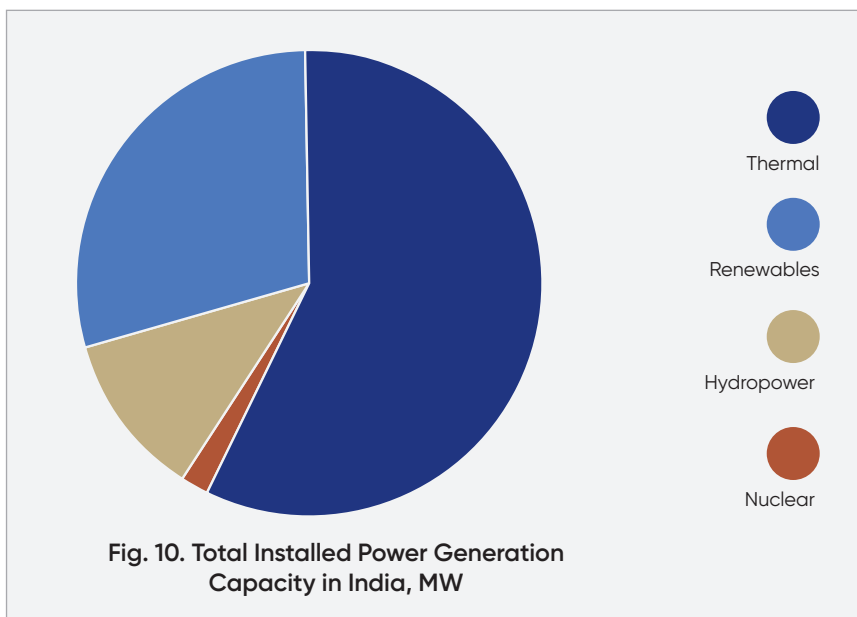
India's main competencies in this sector include:

- The development of proprietary software and the provision of programming services for leading global manufacturers of components and embedded systems. Major market players include Tata Consultancy Services, Infosys, HCL Technologies, Tech Mahindra, L&T Infotech, and Mindtree.
- The creation and expansion of domestic e-commerce platforms, including Flipkart, Myntra, Snapdeal, and Jabong.
- "One key area is the localisation of foreign electronic component production, with over 150 foreign manufacturers of electronic equipment currently operating in the region. Notable companies include Mentor Graphics, Synopsys, Magma, Cadence, ARM, Texas Instruments, STMicroelectronics, Motorola, Analog Devices, Ericsson, Nokia, Intel, and IBM.
- The production of indigenous electronic components is equally important. Leading local firms include Sahasra Electronics Pvt. Ltd., Circuit Systems India Ltd., Syrma Technology Pvt. Ltd., EOS Power India Pvt. Ltd., Globe Capacitors Ltd., Continental Device Ltd., Cosmo Ferrites Ltd., Qmax Test Equipments Pvt. Ltd., Keltron Component Complex Ltd., Meena Circuits Pvt. Ltd., Best IT World (India) Pvt. Ltd., Stanesh Semiconductor Pvt. Ltd., RMC Electronics Pvt. Ltd., Lava, and Micromax.
- India also manufactures its own consumer electronics and home appliances. Notable domestic brands include ITB, TCL, Bajaj, Lava, Micromax Mobile, Intex, T-Series, and Videocon.

Other Promising Sectors for Cooperation

Energy. India's total installed power generation capacity stands at 408,715 MW, comprising the following: thermal power – 235,992 MW (including coal-fired – 210,606 MW, gas-fired – 24,824 MW; diesel – 562 MW) → "thermal power – 235,992 MW (including coal-fired – 210,606 MW, gas-fired – 24,824 MW, diesel – 562 MW); and renewable (non-conventional) energy sources – 119,093 MW (including solar – 61,624 MW, wind – 41,844 MW, small hydropower up to 25 MW – 4,924 MW, and biomass and waste-to-energy – 10,701 MW).

India's leading power sector companies include National Thermal Power Corporation, National Hydroelectric Power Corporation, Nuclear Power Corporation of India, Power Grid Corporation of India Ltd., North-Eastern Electric Power Corporation, TATA Power Company, Reliance Energy, Jindal Steel & Power, Bharat Heavy Electricals Ltd., and Larsen & Toubro. Under India's national power sector development plan for the period 2022–2027, installed power generation capacity is expected to increase by 165,220 MW through capital investment. This includes thermal power – 46,420 MW, hydropower – 12,000 MW, nuclear power – 6,800 MW, and renewable (non-conventional) energy sources – 100,000 MW (including solar, wind, biomass and waste-to-energy, and small hydropower). The total projected investment for this expansion is estimated at approximately \$125.8 billion.



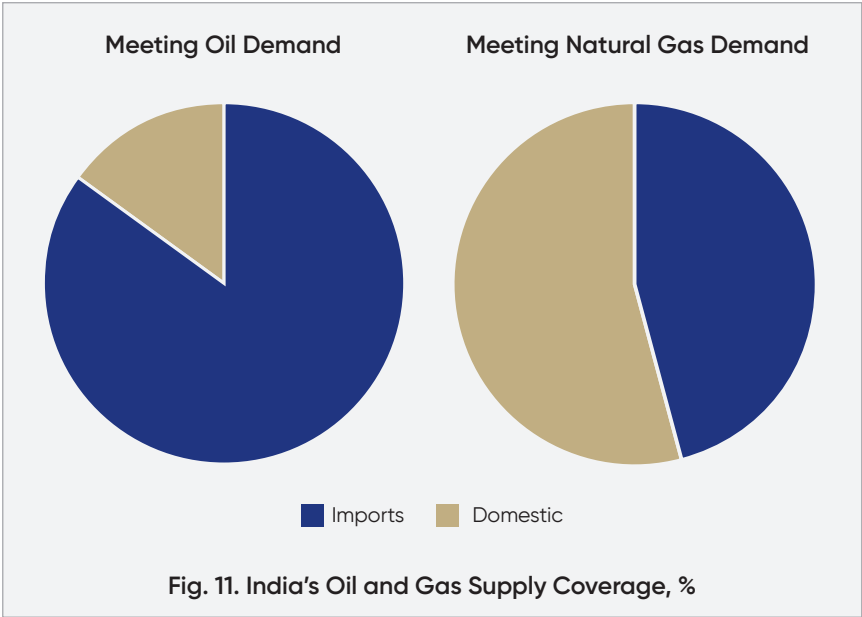
Priority is expected to be given to the construction of large-capacity coal-fired power plants equipped with 660–800 MW units operating on supercritical and ultra-supercritical parameters. Expansion of gas-fired and combined-cycle capacity is not anticipated until India secures stable access to natural gas, for example, through the commissioning of the TAPI gas pipeline. Significant attention is also being directed toward the construction of new hydroelectric power plants using Francis, Pelton, and Kaplan turbines, as well as nuclear power plants developed both domestically and in collaboration with Russia, the United States, and France under intergovernmental agreements. As a strategic priority, India also foresees the development of power facilities based on new and renewable energy sources, in partnership with leading international manufacturers and holders of advanced technologies. In addition, plans include phased decommissioning of 100 MW thermal power units that have reached the end of their operational life, and the repair and modernisation of 200 to 500 MW units that have been in service for more than 20 years.

All projects in India are implemented through international or domestic tender procedures. Tender information is regularly published on the electronic platform www.eprocure.gov.in, on the website of the Central Electricity Authority (CEA) at www.cea.nic.in, or directly on the websites of major state-owned corporations and state energy authorities. Participation requires company references for projects completed abroad within the past 5–10 years, as well as confirmation from clients attesting to the successful operation of those facilities for a minimum of one year.

In recent years, alongside the standard reference requirement, a consistent trend has emerged mandating the technology transfer and localisation of core equipment manufacturing within India, in accordance with the government's "Make in India" programme. Notably, Indian authorities do not accept direct guarantees from Russian banks and instead require counter-guarantees from recognised foreign or Indian financial institutions. In addition, supplied products must comply with either international or Indian quality standards.

Oil and Gas. The Indian economy is characterised by significant reliance on imports of key strategic energy resources. Imports account for 85% of the country's crude oil consumption and 46% of its natural gas requirements. India's estimated hydrocarbon reserves total 28.1 billion tonnes of oil equivalent, of which 11.6 billion tonnes are classified as proven. Recoverable reserves comprise 0.8 billion tonnes of crude oil and 1.4 trillion cubic metres

of natural gas. Approximately 70% of the country's oil and gas reserves are concentrated in offshore fields along the western coast, particularly in the region known as Bombay High. Major onshore deposits are also located in the eastern part of the country, in the Krishna and Godavari river basins, as well as in the north-eastern state of Assam.



The leading companies in India's fuel and energy sector include GAIL (India) Limited, Oil and Natural Gas Corporation, Indian Oil Corporation Limited, Bharat Petroleum Corporation Ltd., Hindustan Petroleum Corporation Ltd., Oil India Ltd., Reliance Industries, and Nayara Energy Limited.

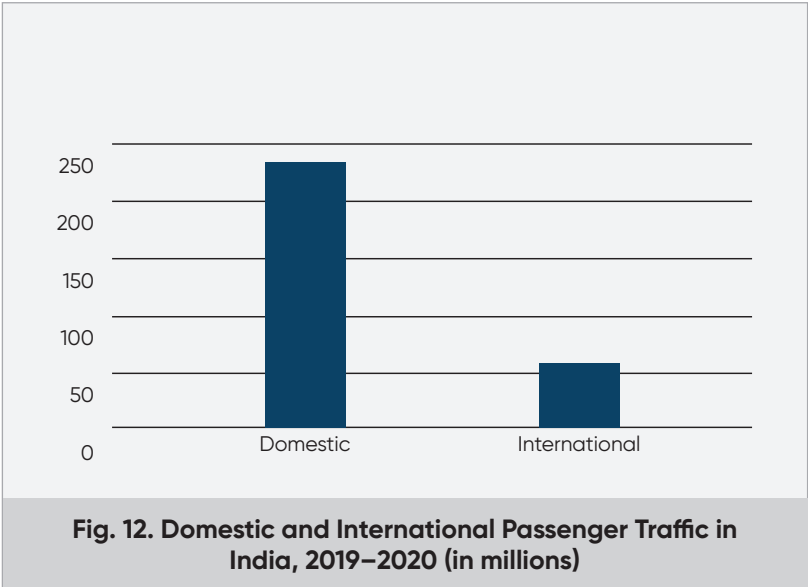
India currently operates 23 oil refineries, including 17 state-owned, 3 privately owned, and 3 structured as public-private joint ventures. To facilitate the transportation of petroleum products, 19 main pipelines have been constructed, with a total length of 17,800 kilometres and an annual throughput capacity of 69.2 million tonnes. Sector development plans for the next five years provide for the construction of an additional 10,000 kilometres of new pipeline infrastructure. India not only meets its domestic demand for petroleum products but also actively exports them.

India’s gas pipeline network currently extends approximately 19,000 kilometres, with a daily throughput capacity of 199.3 million cubic metres. To support the expansion of the national gas grid, the construction of an additional 15,400 kilometres of pipeline infrastructure is planned. To meet the economy’s demand for gas feedstock, India intends to increase imports, including through the development of cross-border pipeline projects.

The Ministry of Petroleum and Natural Gas is actively implementing measures to develop the infrastructure required for the storage, regasification, and distribution of liquefied natural gas (LNG) to domestic consumers.

To this end, by 2025, six additional terminals are planned for construction along India’s eastern coast, in addition to the four currently in operation. These new facilities will provide a combined annual receiving capacity of 30 million tonnes. Construction is underway at the ports of Gangavaram (Andhra Pradesh), Dhamra (Odisha), Kakinada (Andhra Pradesh), Krishnapatnam (Andhra Pradesh), Haldia (West Bengal), and Ennore (Tamil Nadu). The estimated total cost of these projects is \$2.5 billion.

Civil Aviation. India’s civil aviation sector has emerged as one of the fastest-growing both nationally and globally. According to expert forecasts, by 2024, India is expected to surpass the United Kingdom in passenger volume and take third place in the global rankings.



In the 2019/20 financial year, total passenger traffic in India amounted to 293.99 million people, including 235.44 million domestic passengers and 58.55 million international travellers.

During the same period, domestic air cargo totalled 1.14 million tonnes, while international cargo traffic reached 1.70 million tonnes. The development of the civil aviation sector is governed by the National Civil Aviation Policy, adopted by the Government of India in 2016.

India's principal air carriers include Air India, IndiGo, SpiceJet, GoAir, Jet Airways, Vistara, AirAsia, and Alliance Air.

As of December 2022, India had 136 operational airports. To accommodate the projected growth in air traffic, the government plans to increase this number to 200 by 2040. By 2023–2024, the government had planned to commission 100 new airports, 31 heliports, and 12 water aerodromes. In parallel, six airports (Ahmedabad, Guwahati, Jaipur, Lucknow, Mangaluru, and Thiruvananthapuram) were privatised under a public-private partnership model. Additionally, to support the expansion of domestic air services, the UDAN programme is being implemented. It provides for the construction and operation of airports in remote areas of the country.

In addition, the Government of India is creating favourable conditions for Indian air carriers with the aim of increasing the fleet of aircraft approved for regular routes from 680 to 1,200 by the 2024/25 financial year. This increase is expected to be achieved through a combination of measures, including reduced lease rates, financing in line with the provisions of the Cape Town Convention and the Aircraft Protocol, more efficient use of air traffic rights promoting both domestic and international passenger and cargo services, and rationalising the tax regime.

The Ministry of Civil Aviation of India serves as the primary regulatory authority responsible for formulating national policy, implementing development programmes and regulatory measures, and overseeing schemes to expand air transport capacity. The Directorate General of Civil Aviation (DGCA) is responsible for managing air traffic and ensuring aviation safety. In 2016, the DGCA signed a cooperation agreement on aviation safety with the United States Trade and Development Agency.

India's civil aviation sector remains heavily dependent on foreign suppliers of aircraft and aviation equipment, notably Boeing and Airbus.

The government continues to actively promote policies aimed at attracting foreign capital to the sector. In the 2022/23 financial year, 100% foreign direct investment (FDI) under the automatic route was authorised, enabling non-resident entities to acquire ownership stakes in Indian aviation companies without prior government approval.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflows into India's air transport sector (including airline operations) amounted to \$2.3 billion between April 2000 and December 2012. Over the next four years, the government is expected to secure an additional \$4.99 billion in foreign investment in the aviation industry. In 2021–2022, the Krishi UDAN programme was implemented for both domestic and international air freight operations. The initiative is designed to assist farmers in transporting agricultural produce.

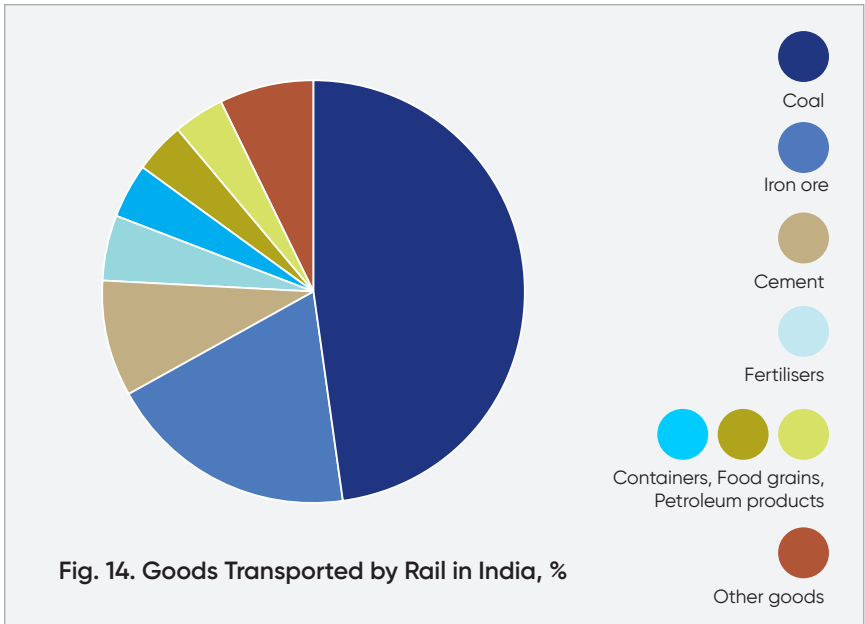
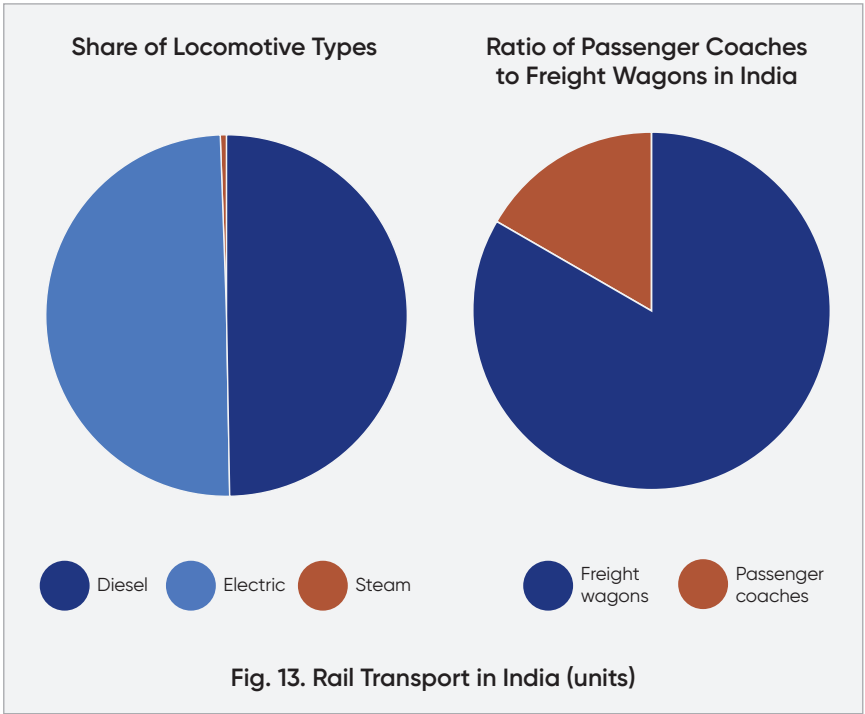
Concurrently, the government is pursuing a project to establish domestic production of civil aviation equipment. By 2026, it plans to invest \$1.83 billion in the development of airport infrastructure.

Since December 2019, a plan has been in progress to construct three water aerodromes in the Andaman and Nicobar Islands. Indian service providers engaged in the manufacture, maintenance, and repair of aircraft are fully exempt from customs and countervailing duties.

Railways. India's railway network spans a total of 126,400 km, of which 52,200 km is electrified. The entire railway network is owned and operated by the state. The network is divided into 17 zones and 68 divisions. There are over 7,000 stations and approximately 150,000 bridges and level crossings. The railway sector employs more than 1.3 million people. The main transport hubs include New Delhi, Ludhiana, Bathinda, Moradabad, Lucknow, Kolkata, Chennai, Secunderabad, Bengaluru, and Mumbai.

The fleet comprises 12,147 locomotives, including 6,049 diesel, 6,059 electric, and 39 steam-powered units. There are 289,100 freight wagons and flatcars, and 57,000 passenger coaches. The average speed of passenger trains is about 60 km/h, while freight trains operate at an average speed of under 24 km/h.

In 2021–2022, Indian Railways transported 12.4 billion passengers and over 2.3 billion tonnes of freight. Rail transport accounts for approximately 35% of the country's total freight volume. The composition of freight carried by rail includes coal (48%), iron ore (19%), cement (9%), fertilisers (5%), containers (4%), food grains (4%), petroleum products (4%), and other goods (7%).



The pace of railway infrastructure development in India increased at an average annual rate of 12% between 2007 and 2022. In 2021, investment in the sector reached \$18 billion.

The railway network is unevenly distributed across the country's regions. It is most developed in the states of Punjab, Uttar Pradesh, Gujarat, and West Bengal, while in the mountainous states of Jammu and Kashmir, Himachal Pradesh, Sikkim, Arunachal Pradesh, Nagaland, Manipur, Tripura, and Meghalaya, coverage is limited or entirely absent.

The current state of India's railway system does not meet modern demands. Key freight corridors are overburdened, and operating speeds remain critically low.

The Government of India intends to significantly expand the capacity of the railway sector, viewing this as a critical prerequisite for the sustained growth of the national economy. In line with this goal, the Ministry of Railways aims to raise the railway's share of freight and passenger traffic from 27% to 45% by 2030. To achieve these targets, India plans to actively engage foreign partners.

In January 2021, experts from the Ministry of Railways of India drafted a long-term development plan for the sector. The draft outlines two key phases: the first running through 2030, and the second through 2050. At present, the draft has been circulated among ministries and other government agencies for review and the submission of proposals.

Key objectives of the document:

- Complete electrification of the railway network by 2030;
- Increase the locomotive fleet from the current 12,100 units to 20,700 by 2030, and subsequently conduct regular assessments of locomotive and rolling stock requirements to ensure timely responses and sufficient transport system capacity through to 2050;
- Significantly reduce freight transport time by increasing the average speed of trains from 22 km/h to 50 km/h;
- Reduce the overall cost of rail freight transportation by 30%;

- Conduct a comprehensive analysis of all existing and planned railway routes to develop a mathematical model capable of forecasting demand for rail transport across the country;
- Use this model to identify infrastructure bottlenecks and propose targeted solutions;
- Evaluate the feasibility and identify funding sources for prospective projects, with particular emphasis on private investment.

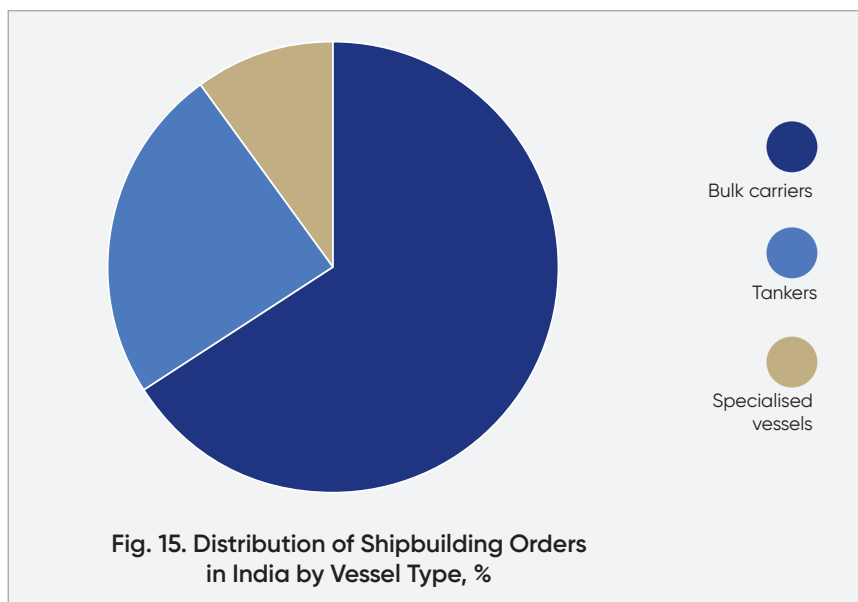
Under the National Railway Development Plan, Vision 2024 programme has been launched to expedite the implementation of strategically significant projects. These include the electrification of the railway network, increasing train speeds to 160 km/h on the Delhi–Mumbai and Delhi–Howrah corridors, and raising speeds to 130 km/h across all other segments of the national rail system. Three priority freight corridors have been identified – the East Coast, East–West, and North–South – with work already underway on their economic feasibility studies. In addition, several new high-speed rail corridors have been proposed. Construction has commenced on one such route, linking Delhi to Varanasi.

According to local experts, the National Railway Development Plan anticipates a marked surge in capital investment through to 2030. This is expected to generate transport capacity that initially outpaces demand. However, the revenue derived from the expanded rail network is projected to sustain ongoing construction and service the debt incurred from these investments.

Shipbuilding. India currently has 1,500 registered vessels, with a total gross tonnage of approximately 13 million tonnes, placing it 14th in the world by fleet size. The sector employs roughly 60,000 people.

India accounts for 1.2% of global shipbuilding orders, ranking sixth globally by order volume. Of these, 66% are for bulk carriers, 24% for tankers, and 10% for specialised vessels. Domestic orders originate predominantly from the public sector, with 62% commissioned by the Navy and Coast Guard.

There are 35 shipbuilding companies operating in India. Six fall under the jurisdiction of the Ministry of Defence, one – Cochin Shipyard – is managed by the Ministry of Ports, Shipping and Waterways, and two are administered by the state governments of Gujarat and West Bengal.



In 2016, the Government of India launched the ambitious National Sagarmala Programme, aimed at developing the country's 7,500 km coastline and 14,500 km of potentially navigable inland waterways. The programme's core objective is to reduce logistics costs and shorten cargo transit times, while requiring minimal capital investment in infrastructure.

Key Objectives of the Plan:

1. Modernisation of existing ports and development of new port infrastructure.
2. Integration of inland regions with river and sea ports through the adoption of multimodal logistics solutions.
3. Establishment and development of industrial clusters and coastal economic zones near ports to reduce logistics costs and shorten cargo transit times.
4. Development of coastal regions, including fisheries and coastal tourism, alongside initiatives for workforce skill enhancement and related activities.

The national plan encompasses over 604 projects with a combined value of \$136.4 billion, slated for implementation by 2035.

To oversee its execution, the Sagarmala Development Company Limited (SDCL) was established under the administrative authority of India's Ministry of Shipping. SDCL supports the creation of special purpose vehicles (SPVs) for projects within the framework of the national plan. Additionally, SDCL directly implements projects classified as "residual," for which funding is often difficult to secure through other governmental bodies. The company is also tasked with refining project proposals, preparing development plans for coastal special economic zones designated under the plan, and mobilising debt financing for their implementation.

In 2020, the "Maritime India Vision 2030" strategy was announced, introducing an additional \$40 billion in projects. The programme seeks to develop world-class port infrastructure, enhance the efficiency and cost competitiveness of logistics through advanced technologies and innovative solutions, strengthen the policy and institutional framework, increase India's share in the global shipbuilding and ship repair market, and boost cargo and passenger movement via inland waterways.

In 2023, the government planned to introduce financial subsidies, a new tax regime, and other incentives to support the shipbuilding industry. The core objective of these measures is to encourage the construction of 50 new vessels and to expand infrastructure supporting domestic shipping and port development.

Textiles. The sector is supported through the government's Production Linked Incentive (PLI) scheme. Introduced for the textile industry in September 2021, the scheme provides financial incentives of up to INR 106.83 billion (approximately \$1.3 billion) to manufacturers of garments, conventional textiles, and technical fabrics operating within India.

Currently, India hosts a significant number of industrial facilities dedicated to textile production. Additionally, announcements are expected shortly regarding the establishment of seven new mega industrial parks for the textile sector.

Metallurgy. India's ferrous metallurgy sector is anchored by large-scale industrial enterprises. These include major state-owned corporations such as Steel Authority of India Ltd, Rashtriya Ispat Nigam Ltd, NMDC Ltd, MOIL Ltd, MSTC Ltd, MECON Ltd, KIOCL Ltd, and Ferro Scrap Nigam Ltd, as well as leading private firms including JSW Steel Ltd, TATA Steel Ltd, Essar Steel India Ltd, Electrosteel Steels Ltd, Jindal Steel and Power Ltd, and Jindal Stainless Ltd.

The following key policy documents regulate the sector:

- National Steel Policy 2017;
- Policy on Preference to Domestically Manufactured Iron & Steel Products;
- Steel Scrap Recycling Policy.

India's non-ferrous metallurgy sector is underpinned by major state-owned and private enterprises. Among the leading companies in iron ore mining and processing are Sesa Goa Iron Ore, Steel Authority of India Ltd, and Orissa Manganese & Minerals Ltd. The country's key coal producers include Coal India Limited, Singareni Collieries Company, and Reliance Natural Resources. The largest domestic producers and suppliers of aluminium are National Aluminium Company Limited and Bharat Aluminium Company. Hindustan Copper Limited is the sole national developer of copper deposits. Mineral Exploration Corporation Limited is India's premier agency for geological exploration of mineral reserves. Hindustan Zinc Limited serves as the principal developer of zinc deposits and is also engaged in the production of lead, silver, and cadmium.

The primary policy document for the sector is the National Mineral Policy 2019.

The industrial base of India's rare earth metals sector is anchored by the major state-owned enterprise IREL (India) Limited. Also active in this field are the state-run Kerala Minerals and Metals Limited and a number of private firms, including Cochin Minerals and Rutile Limited, Beach Minerals Company Private Limited, and V.B. Minerals and Resins Private Limited.

Construction. Leading companies in India's construction sector include Tata Projects Ltd, Hindustan Construction Co. Ltd, Larsen & Toubro Ltd, JMC Projects (India) Ltd, Punj Lloyd Group, Man Infraconstruction Limited, Supreme Infrastructure India Ltd, Consolidated Construction Consortium Ltd, IOT Infrastructure and Energy Services Ltd, and Offshore Industrial Construction Pvt. Ltd.

The sector is primarily driven by the Smart Cities Mission, which envisions the development of 100 smart cities across the country.

Fertilisers. Leading companies in India's fertiliser manufacturing sector include Fertilizers and Chemicals Travancore Limited, FCI Aravali Gypsum

and Minerals India Limited, Fertilizer Corporation of India Limited, Hindustan Fertilizer Corporation Limited, Madras Fertilizers Limited, National Fertilizers Limited, Rashtriya Chemicals and Fertilizers Limited, Brahmaputra Valley Fertilizer Corporation Limited, Indian Potash Limited, Chambal Fertilisers and Chemicals Limited, and KRIBHCO Fertilizers Limited.

The objective of government interventions and support schemes in the fertiliser sector is to maximise domestic production of nitrogen-based fertilisers by utilising local raw materials, with the goal of achieving self-sufficiency in urea (carbamide) output. This approach is intended to ensure affordable fertiliser access for farmers and promote the balanced application of nutrients, which is essential for sustainable agricultural growth.

Key Support Schemes for Indian Companies to Increase Industrial Output and Promote Exports

To encourage the development of export-oriented industrial enterprises, the Government of India has introduced the Export Promotion Capital Goods (EPCG) scheme.

This programme enables manufacturers focused on exports to import capital goods and spare parts at a zero customs duty rate.

Under the scheme, the beneficiary is required to export finished goods worth six times the customs duty saved on the imported capital goods. This export obligation must be fulfilled within six years from the date on which the import authorisation is granted by the Directorate General of Foreign Trade of India.

The EPCG scheme applies to all manufacturers, including their associated ancillary units, export trading companies, and certified providers of common services.

Beneficiaries of the EPCG scheme may carry out exports either directly or through third parties. Export earnings must be received in freely convertible foreign currency.

The scheme presents favourable conditions for Russian companies planning to establish manufacturing operations in India.

Another noteworthy initiative is the Production Linked Incentive (PLI) scheme, introduced in 2020. It is designed to stimulate industrial production and generate new employment across 13 strategic sectors.

Table 1. Economic Sectors in India and Their Supervisory Ministries

Sector	Supervisory Ministry
Key starting materials, intermediate drugs, and active pharmaceutical ingredients	Ministry of Chemicals and Fertilizers
Medical device manufacturing	Ministry of Chemicals and Fertilizers
Pharmaceutical products	Ministry of Chemicals and Fertilizers
Large-scale electronics manufacturing	Ministry of Electronics and Information Technology
Electronic and technological products	Ministry of Electronics and Information Technology
Telecommunications and networking products	Ministry of Communications
Food products	Ministry of Food Processing Industries
Consumer appliances (air conditioners, etc.)	Ministry of Commerce and Industry
High-efficiency solar photovoltaic modules	Ministry of New and Renewable Energy
Automobiles and auto components	Ministry of Heavy Industries
Battery storage systems	Ministry of Heavy Industries
Textile products, including technical textiles	Ministry of Textiles
Specialty steel	Ministry of Steel

The scheme is likely to attract enterprises with a clear commitment to steadily scaling up their production volumes. In such cases, the government will reimburse manufacturers for the costs incurred in expanding output, based on a defined formula.

For example, on 29 July 2021, the Ministry of Steel of India issued a notification confirming government approval of the **Production Linked Incentive (PLI) Scheme for Specialty Steel**. The scheme is scheduled for implementation from the 2023/24 to 2029/30 financial year, with a total budget allocation equivalent to \$854 million.

- **Scheme Developer:** Ministry of Steel of India, in collaboration with the state-owned engineering firm MECON Ltd.
- **Objective:** To support domestic manufacturing, attract investment, and facilitate the transfer of advanced technologies.
- **Guidelines:** The Ministry of Steel will issue detailed implementation guidelines for the scheme at a later date.
- **Core Provision:** Reimbursement of costs incurred by manufacturers in achieving year-on-year increases in production.
- Reimbursement rates are defined for a five-year period and vary by steel category. CRGO (cold-rolled grain-oriented) steel falls under Category C, which provides the following annual reimbursement rates on incremental production:

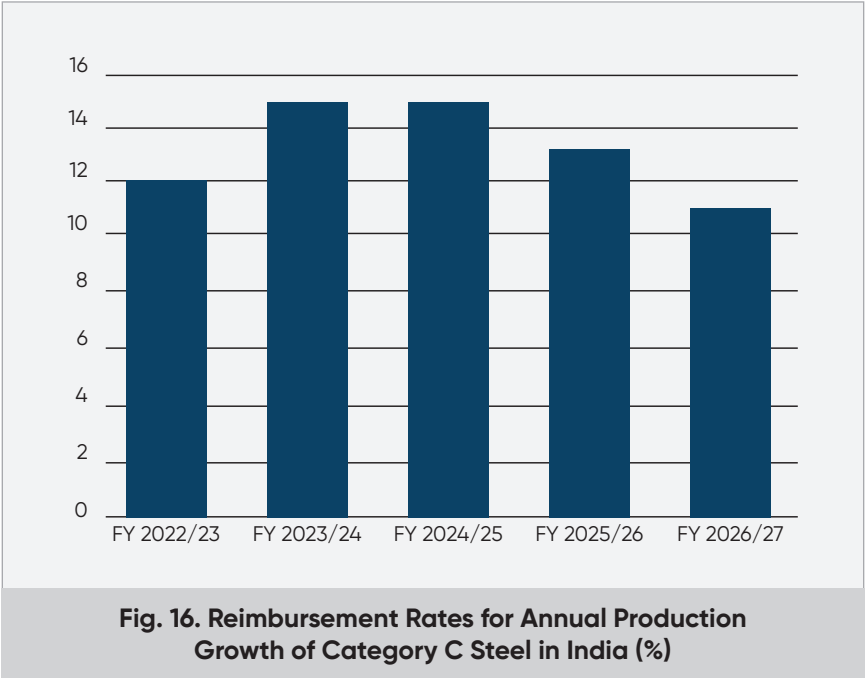
2022/23 financial year – 12%

2023/24 financial year – 15%

2024/25 financial year – 15%

2025/26 financial year – 13%

2026/27 financial year – 11%



The annual reimbursement for each scheme participant is capped at INR 2 billion (approximately \$ 27 million).

- **Scheme Duration:**

The scheme is set for a five-year term starting from the 2022/23 financial year. Reimbursement payments are scheduled from the 2023/24 to the 2029/30 financial year;

The scheme’s initial launch may be postponed by up to two years, provided it remains within the approved budget allocation.
- **Basis for Calculating Production Growth:**

Production growth is assessed on the basis of sales figures, accompanied by supporting certificates;

The increase is calculated using the weighted average selling price. Participants are selected by the Ministry of Steel of India and approved by the Minister of Steel.

- The implementation of the scheme is overseen by an authorised group of secretaries, chaired by the Cabinet Secretary of India.

The Ministry of Steel is authorised to introduce changes or additions to the scheme, subject to approval by the authorised committee of secretaries.

In light of the above, interested organisations are encouraged to engage proactively with the relevant Indian authorities to help ensure the scheme's provisions align with practical manufacturing needs.

Self-Assessment Questions

1. Is India a developing or a developed economy?
2. Which sectors in India are currently the most attractive for foreign direct investment?
3. Which areas of cooperation between Russia and India do you consider most relevant today, and which in the longer term? Why?



PRACTICUM: FIGURES AND FACTS

India's Major Foreign Trading Partners (Export/Import Rankings)



According to data from the Ministry of Commerce and Industry of India, the country's total merchandise trade with international partners in 2022 reached \$1.174 trillion. Exports totalled \$453.31 billion, while imports amounted to \$721.66 billion.



**Table 2. India's Goods Exports in 2022
(Top 10 Trading Partners and Russia)**

Rank	Country	Export Volume (\$ bn)
–	Total (Top 36)	177.05
1	United Arab Emirates	26.0
2	United States	17.6
3	Netherlands	16.3
4	China	12.2
5	Singapore	9.8
6	Bangladesh	9.7
7	United Kingdom	9.4
8	Saudi Arabia	8.9
9	Brazil	8.5
10	Germany	8.4
...
36	Russia	2.5

**Table 3. India's Goods Imports in 2022
(Top 10 Trading Partners and Russia)**

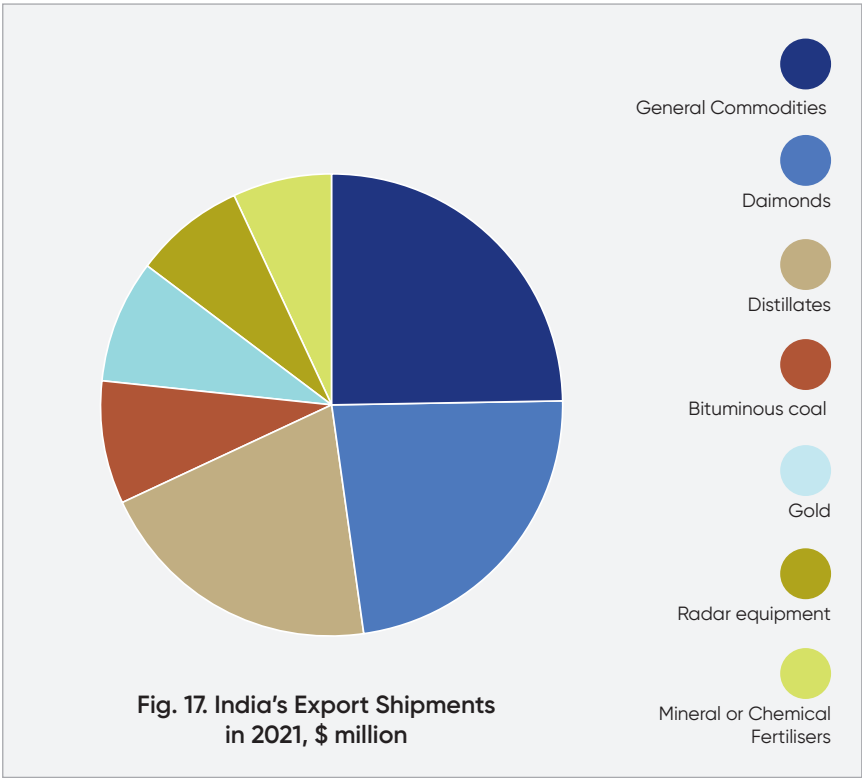
Rank	Country	Import Volume (\$ bn)
–	Total (Top 10)	352.3
1	China	83.8
2	United Arab Emirates	44.3
3	United States	42.9
4	Russia	37.3
5	Saudi Arabia	35.5
6	Indonesia	25.3
7	Singapore	20.2
8	South Korea	17.4
9	Australia	16.1
10	Iraq	15.0

Export-Import Volume

Russia-India Trade Statistics

According to the Federal Customs Service of Russia, bilateral trade between Russia and India amounted to \$9.26 billion in 2020, reflecting a 17.6% decline from to 2019. Russian exports stood at \$5.80 billion (down 20.7%), while imports from India totalled \$3.46 billion (down 11.8%). This resulted in a trade surplus of \$2.34 billion in Russia's favour.

In 2021, bilateral trade between Russia and India reached \$13.6 billion, marking a 46.5% increase compared to 2020. Russian exports rose by 57.4% to \$9.1 billion, while imports from India increased by 28.0% to \$4.4 billion. Russia recorded a trade surplus of \$4.7 billion.



The growth in exports in 2021 compared to 2020 was driven by increased shipments of several key commodities:– up by \$ 608.4 million (a 2.9-fold increase) to \$ 935.4 million; distillates – up by \$ 587.0 million (4.3 times) to \$ 763.3 million; radar equipment – up by \$287.0 million (25-fold) to \$ 299.2 million; gold – up by \$ 223.1 million (3.3 times) to \$319.6 million; diamonds – up by \$ 183.7 million (27.0%) to \$863.5 million; mineral or chemical fertilisers – up by \$ 112.1 million (1.8 times) to \$253.4 million; and vaccines – up by \$ 111.6 million (an 889-fold increase) to \$111.7 million.

Additional export growth in 2021 was driven by shipments of turbines with a capacity exceeding 40 MW, totalling \$ 98.9 million (no such deliveries were recorded in 2020). During the same period, there was a marked decline in exports of potassium chloride – down by \$ 110.2 million (–79.6%) to \$ 28.3 million; bituminous coal – down by \$ 103.5 million (–24.3%) to \$ 321.8 million; and nitrogen- and phosphorus-based mineral fertilisers – down by \$ 55.4 million (–84.6%) to \$ 10.1 million.

Table 4. Trade Turnover Between Russia and India, 2012–2021, \$ billion

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Turnover	11.0	10.1	9.5	7.8	7.7	9.36	10.97	11.23	9.26	13.56
Growth %	124.6	95.0	94.4	82.3	98.4	121.4	117.3	102.3	82.4	146.5
Export	8.0	7.0	6.3	5.6	5.3	6.45	7.75	7.31	5.80	9.13
Growth %	131.6	92.3	90.8	87.2	95.3	121.7	120.1	94.3	79.3	157.4
Import	3.0	3.1	3.2	2.2	2.4	2.9	3.22	3.92	3.46	4.43
Growth %	109.1	104.5	102.6	71.2	106.2	121.0	111.1	121.6	88.2	128.0
Balance	5.0	3.9	3.1	3.4	2.9	3.55	4.53	3.39	2.34	4.70

Source: Federal Customs Service of Russia

According to the Ministry of Commerce and Industry of India, Russia ranked as India's sixth-largest import partner by trade volume in the most recent reporting period, with imports amounting to \$35.51 billion (4.92% share). This marks a substantial increase from 2021–2022, when imports from Russia totalled \$9.8 billion (1.6%), placing the country 32nd among India's import sources. The current growth represents a 262% increase.

In May 2022, Russia became India's second-largest oil supplier, delivering 819,000 barrels per day. Imports of Russian thermal coal rose sharply by a factor of 2,700 to over 570,000 tonnes. Deliveries of Russian gas also continue: GAIL, India's largest gas transmission company, is seeking to deepen its partnership with Gazprom and expand current volumes under an existing annual contract for 2.5 million tonnes of LNG. Looking ahead, India may also increase its purchases of Russian gold. Russia accounts for 9% of global gold production, while India remains one of the world's largest consumers.

Russia remains the world's second-largest exporter of arms and military equipment, with a market share of approximately 19% over the 2014–2020 period. India remains the top recipient of such exports, accounting for 27.9% of Russia's total arms deliveries from 2017 to 2021. Although the volume of Russian weaponry purchased by India has declined, a complete suspension of deliveries appears unlikely. This is primarily due to the long-standing bilateral defence relationship, competitive pricing, and the large volume of Russian equipment already in service which requires regular maintenance.

In addition to raw materials and defence-related exports, the Russian Federation continues to supply the Indian market with diamonds, coal, fertilisers, chemical and petrochemical products, timber and furniture, power equipment, speciality steel, specialised railway machinery, and mining equipment. In recent years, Russian exports have also expanded to include food products, roofing materials, and IT solutions for transport systems, urban infrastructure, industrial operations, as well as object and facial recognition technologies.

In terms of food products, Russia ranks among the largest consumers of Indian tea, importing up to 45 million kilograms annually. A significant share of Indian exports to Russia also includes coffee and textiles. Rice remains an important element of bilateral trade: in 2020, India accounted for nearly 60% of all rice imports into the Russian Federation. Given the evolving global economic landscape, where both countries are seeking to expand their presence in international markets, the range of traded product categories is expected to continue growing.

In 2020–2021, India exported pharmaceutical products to Russia valued at \$600 million. Cooperation in this area is expected to strengthen further in the coming years, partly due to shortages of imported raw materials used in the production of Russian medicines.

Self-Assessment Questions

1. What impact might the export–import imbalance between Russia and India have on exporters?
2. How could the growth in overall trade turnover and rising exports of raw materials positively influence the expansion and scaling up of non-commodity exports?



PRACTICUM: FIGURES AND FACTS

Operating in the Current Market Environment



Business Regulation in India

MARKET ENTRY OPTIONS FOR FOREIGN COMPANIES

A foreign company seeking to establish a presence in India may consider the following entry routes:

1. Incorporation under the Companies Act of 2013, in the form of:
 - a joint venture
 - a wholly owned subsidiary.

Foreign equity participation in such Indian companies may reach up to 100%, depending on the investor's objectives. The permissible limit is determined by the company's sector of operation, in accordance with the Consolidated FDI Policy (in force since 1 October 2010), as approved by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry of India.

2. A foreign company may also establish a presence in India through:

- a liaison office (representative office);
- a project office;
- a branch office.

LIAISON OFFICE

Opening a liaison office is suitable for a foreign company seeking to explore the investment and business environment in India. Approval to establish a liaison office is granted for a three year and may be extended through an authorised bank. A liaison office is not permitted to undertake any commercial activity or generate income within India.

Foreign insurance companies may establish a liaison office in India only upon receiving approval from the Insurance Regulatory and Development Authority (IRDA). Foreign banks may do so only with authorisation from the Department of Banking Operations and Development of the Reserve Bank of India (RBI).

PROJECT OFFICE

Foreign companies planning to carry out specific projects in India may establish temporary project offices. The Reserve Bank of India (RBI) may grant general permission to foreign entities meeting the following criteria:

- the entity has entered into a contract with an Indian company for the execution of a project in India;
- the project is financed on a bilateral or multilateral basis by an international financial institution;
- the project is implemented by a line ministry or sectoral authority;
- the Indian company or contracting organisation has obtained a term loan for the project from an Indian public financial institution or bank.

BRANCH OFFICE

Foreign legal entities engaged in manufacturing and commercial activities may establish branch offices in India, subject to obtaining special authorisation from the Reserve Bank of India (RBI) – a Certificate of Registration. The RBI does not permit branch offices to engage in any manufacturing activity, either directly or indirectly. The list of permitted business activities is limited. Undertaking a new line of business requires separate authorisation from the RBI.

Branch offices are permitted to represent their parent companies or corporate groups and may engage in the following activities in India:

- export and import of goods (permitted only on a wholesale basis, both for imported and exported goods);
- provision of professional or consultancy services;
- conducting research in areas in which the parent company is engaged;
- facilitating technical and financial collaboration between Indian companies and the parent or other foreign group companies;
- acting as a buying or selling agent for the parent company in India;
- providing IT services and software development in India;
- offering technical support related to products supplied by the parent company or its group entities;
- operations of foreign airlines or shipping companies.

Any activity related to retail trade is not permitted. Income earned by branch offices may be freely remitted from India after the payment of applicable taxes.

BRANCH OFFICES IN SPECIAL ECONOMIC ZONES

The Reserve Bank of India (RBI) grants general permission to foreign companies to establish a branch or unit in a Special Economic Zone (SEZ) to carry out manufacturing activities and providing services. This permission is granted subject to the following conditions:

- the unit operates in a sector that permits 100% foreign ownership (i.e., all sectors except defence, energy, and space);
- the unit functions independently (autonomously).

Such offices may carry out activities permitted under the Foreign Exchange Management (Establishment in India of Branch or Office or other Place of Business) Regulations, 2000, as well as other applicable special rules, regulations, and circulars consolidated in the Master Circular on Establishment of Liaison/Branch/Project Offices in India by Foreign Entities, issued by the Reserve Bank of India. These activities may involve representational functions (such as market research, negotiations, etc.) or commercial and manufacturing operations, with the ability to maintain their own bank accounts, conduct transactions, and comply with applicable tax regulations.

Any foreign legal entity, including companies and other associations of individuals, must obtain authorisation from the Reserve Bank of India (RBI) to establish a liaison office or branch in India, in accordance with the Foreign Exchange Management Act, 1999. Applications are reviewed by:

- The Government of India / Foreign Investment Promotion Board (FIPB), if the entity's primary business activity falls in a sector that does not permit 100% foreign ownership (e.g., defence, space, or nuclear energy);
- The Reserve Bank of India under the automatic route, if the primary business activity falls within sectors where 100% foreign ownership is allowed (i.e., all other sectors).

Applications of this nature are reviewed by the Reserve Bank of India (RBI) in coordination with the Ministry of Finance.

1. Additional requirements:

- For branch offices, the applicant must submit financial performance records for the past five years.
- For liaison offices, the applicant must submit financial performance records for the past three years.

2. Net asset value requirements:

- For branch offices: not less than \$100,000;
- For liaison offices: not less than \$50,000.

The foreign entity must submit an FNC-format application for establishing a liaison or branch office in India through an authorised bank (AD Category I) to the Foreign Investment Division, Foreign Exchange Department, Reserve Bank of India, Central Office, Fort, Mumbai – 400001. The following documents must be attached to the application:

1. An English version of the company's certificate of incorporation or its charter and articles of association, notarised or certified either by the Indian embassy or a notary public in the country of registration.
2. The applicant's most recent audited financial statement.

A unique identification number is assigned to each branch or liaison office established with RBI approval. The branch or liaison office must also obtain a Permanent Account Number (PAN) from the tax authorities in order to establish operations in India.

KEY CONDITIONS GOVERNING THE ACTIVITIES OF BRANCH OFFICES, LIAISON OFFICES, AND PROJECT OFFICES

In addition to other applicable regulations, the following key conditions apply to the operations of branch, liaison, and project offices, as outlined in the RBI's Master Circular on the Establishment of Liaison/Branch/Project Offices in India by Foreign Entities:

- Nationals of Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran, or China may not establish branch, liaison, or project offices in India without prior RBI approval. This restriction is based either on specific political considerations (China, Pakistan, Afghanistan, Bangladesh, Sri Lanka) or on sanctions-related limitations (Iran).
- Branch, liaison, and project offices may open non-interest-bearing current accounts. Issues related to account opening must be coordinated with the respective authorised bank.

- The transfer of assets by a branch or liaison office to a subsidiary or to another branch or liaison office is permitted only upon approval from the Central Office of the Reserve Bank of India (RBI). Branch offices may acquire property for their own use and for conducting authorised activities, but not for leasing purposes. Companies from Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran, Bhutan, and China are not permitted to acquire real estate in India, even for branch operations. These companies may only lease property for a period not exceeding five years. Companies from Nepal may only establish liaison offices in India..
- Authorised banks may permit the opening of term deposits for a period not exceeding six months in favour of non-resident branch offices, provided that the deposit is not part of the reserve fund and the branch undertakes to utilise the funds for business operations in India within three months of the deposit's maturity. Exception: this option does not apply to companies engaged in maritime or aviation transport.

COMPANY REGISTRATION

The procedure for company registration in India is governed by the Companies Act. To register a company, an application must be submitted to the Registrar of Companies (ROC). Once registered as an Indian entity, the company becomes subject to all laws and regulations applicable to other Indian companies.

Private Limited Company. A private limited company may be incorporated with at least two shareholders and a minimum capital of INR 100,000 (approximately \$1,200), or a higher amount as specified in its memorandum or articles of association. A private limited company also:

1. Restricts the transfer of its shares, where applicable.
2. Limits the number of its members to 50, excluding:
 - individuals employed by the company;
 - individuals who the company previously employed, became members during their employment, and remained members after leaving the company.

3. Prohibits any public invitation to subscribe for shares or debentures.
4. Prohibits the invitation or acceptance of deposits from individuals who are not members, directors, or their immediate relatives.

A private limited company may be established:

1. By registering a new company to pursue a new line of business.
2. By converting an existing sole proprietorship or partnership into a company.

Public Limited Company. A public limited company may be incorporated with at least seven shareholders and a minimum capital of INR 500,000 (approximately \$6,000) or more.

MEMORANDUM OF ASSOCIATION

Preparing the Memorandum of Association is a key step in the company incorporation process. This document sets out the fundamental terms under which the company is registered. It includes the company's name, the state in which its registered office will be located, its principal objectives, the liability of its members, and the authorised share capital.

The main purpose of the memorandum is to define the scope of the company's operations and its legal powers.

ARTICLES OF ASSOCIATION

The Articles of Association outline the internal rules and governance procedures of the company.

They are subordinate to the Memorandum of Association and must not contain any provisions that contradict either the memorandum or the Companies Act.

COMPANY REGISTRATION PROCEDURE IN INDIA

Preliminary Stage

1. Obtaining a Digital Signature Certificate (DSC): Candidates for director positions in the company must acquire this certificate in order to sign electronic documents online.
2. Obtaining a Director Identification Number (DIN): Every director or nominee for a directorship must obtain this number as per the requirements of the Ministry of Corporate Affairs.

Registration

Step 1. Name Approval:

- An application must be submitted to the Registrar of Companies using electronic Form 1A;
- The applicant must propose at least six company names, listed in order of preference;
- Wherever possible, proposed names should reflect the company's intended business activities and primary objectives;
- The proposed names must not closely resemble those of existing registered companies;
- The proposed names must comply with the Emblems and Names (Prevention of Improper Use) Act, 1950, and must not duplicate existing brands or trademarks (for protection against unauthorised use, see the Emblems and Names Act);
- The name approval is valid for six months, during which time the company must prepare its Memorandum of Association and Articles of Association (Step 2).

Step 2. Drafting the Memorandum and Articles of Association

This procedure relatively straightforward and is usually handled by legal firms hired for this purpose. A large number of firms currently operate in this market segment, offering services priced between \$800 to \$10,000. An optimal price range is considered to be \$2,000–3,000, offering a balance of cost, quality, and turnaround time.

A list of companies recommended by the Trade Representation of the Russian Federation is provided in Appendix 2.

Step 3. Completion of Additional Electronic Forms

The company must complete the following electronic forms online via the portal of the Ministry of Corporate Affairs:

Electronic Form No. 1. This application must be accompanied by a statutory declaration made by one of the following: a lawyer, a legal representative authorised to appear before the Supreme Court, a company secretary, a full-time accountant employed in India and involved in the company formation process, or a person appointed as director, manager, or company secretary. The declaration confirms that all requirements of the Companies Act are being met during the registration process and in the future operations of the company. Along with Form No. 1, the Memorandum of Association, Articles of Association, and other documents required for registration must also be submitted. With the introduction of the Ministry's new online registration system, stamp duty on the memorandum, articles, and Form No. 1 may be paid electronically at the time of submission.

Electronic Form No. 18. This form must include the full address of the company's registered office.

Electronic Form No. 32. This form requires information about the company's directors, managing directors, and managers. At the same time, any agreements with individuals (if applicable) whom the company intends to appoint as managing directors, full-time directors, or managers must be filed. If the company being registered is a public limited company, written consent from the directors confirming their willingness to act in this capacity must also be submitted.

In accordance with General Circular No. 6/2011 dated 8 March 2011, the Ministry of Corporate Affairs simplified the procedure for company registration and for the establishment of a principal place of business by a foreign company. The circular stipulates that only Form No. 1 requires approval by the Registrar of Companies, while Forms Nos. 18 and 32 may be processed automatically online.

Certificate of Incorporation. The Registrar of Companies issues a Certificate of Incorporation once the duly signed and sealed documents mentioned

above are submitted, along with the registration fee, which is calculated based on the authorised share capital specified in the Memorandum of Association.

Certificate of Commencement of Business. A private limited company may commence operations upon receiving the Certificate of Incorporation. A public limited company, however, must submit an additional application to the Registrar of Companies and may commence operations only after obtaining the Certificate of Commencement of Business.

ISSUANCE OF SHARE CAPITAL

After the company registration process is completed, the business will require funding. The company initially issues shares to the subscribers named in the Memorandum of Association, and subsequently to other members. The issued share capital must not exceed the authorised share capital.

Limited Liability Partnership (LLP). The Limited Liability Partnership Act, 2008 (LLP Act), was enacted by the Government of India to simplify the formation of such entities in India. The Act came into force on 31 March 2009, and the accompanying Limited Liability Partnership Rules, 2009, became effective on 1 April 2009.

An LLP is a separate legal entity, liable for its obligations with its own assets. The liability of each partner is limited to their agreed contribution, which may take the form of tangible assets, intangible assets, or a combination of both. In an LLP, partners are not liable for unauthorised actions, misconduct, or misjudgements of other partners.

An LLP must have at least two partners, including at least two designated partners, one of whom must be a resident of India, although Indian nationality is not required for the LLP's incorporation.

An LLP is required to maintain annual financial statements. Each year, it must file a Statement of Accounts and Solvency with the Registrar of Companies. The LLP's accounts must also undergo an audit.

The death or bankruptcy of a partner does not affect the LLP's legal existence or continuity.

LIABILITY OF PARTNERS IN A LIMITED LIABILITY PARTNERSHIP (LLP)

The principal change introduced by the Limited Liability Partnership Act concerns the scope of liability for partners.

Under the Act, an agency relationship exists between the LLP and each of its partners for the purpose of conducting business. However, this relationship does not extend to the other partners. Each partner is an agent of the LLP, but not of the other partners.

The LLP's obligations, whether contractual or otherwise, are the obligations of the entity itself. A bona fide partner bears no personal liability for such obligations, unlike a partner who has engaged in unlawful conduct.

DISSOLUTION OF A COMPANY

The grounds for dissolving a Limited Liability Partnership (LLP) may equally apply to other types of companies. Dissolution may occur either voluntarily or by order of the National Company Law Tribunal (NCLT). In addition to clear grounds such as insolvency, the Tribunal may order dissolution for reasons including the company operating for more than six months with fewer than two partners, or if its activities are deemed to pose a threat to the sovereignty or security of India, among other grounds.

RESTRUCTURING OF A LIMITED LIABILITY PARTNERSHIP (LLP)

One of the key features of the Limited Liability Partnership Act is that it permits the conversion of existing partnerships, private limited companies, and unlisted public companies into LLPs. The procedures for such conversions are set out in Sections 2, 3, and 4 of the Act. The term "conversion," as defined in the Act, refers to the transfer of ownership, property, assets, shares, rights, privileges, liabilities, and obligations from the original entity to the LLP. At the time of conversion, the LLP must exactly replicate the structure of the entity being converted. In other words, all partners in the firm or shareholders in the respective company must become partners in the LLP upon conversion.

However, as of 31 March 2011, LLPs were not recognised as a distinct category under the Consolidated Foreign Direct Investment (FDI) Policy. Specific provisions governing foreign investment in LLPs are to be determined by the Reserve Bank of India (RBI).

ESTABLISHING A LEGAL ENTITY FOR NON-PROFIT ACTIVITIES IN INDIA

A foreign organisation may establish a legal entity in India in one of the following forms:

- A company licensed under Section 25 of the Companies Act, 2013;
- A society registered under the Societies Registration Act, 1860;
- A registered trust.

Company Licensed Under Section 25 of the Companies Act, 2013. Section 25 of the Companies Act provides that any association engaged in promoting activities related to art, science, religion, or charity, and intending to apply any income generated (if any) towards the advancement of those activities – while being expressly prohibited from distributing dividends to its members – may obtain a licence from the central government. This licence allows the association to be registered as a company with limited liability, without the addition of the words “Limited” or “Private Limited” to its name (commonly referred to as a Section 25 Company).

Such companies, which promote charitable, artistic, religious, or scientific activities and reinvest any income generated into those same purposes, may be granted exemptions from income tax in India and may also be exempt from certain mandatory provisions of the Companies Act. These companies benefit from expedited and duty-free registration, with services provided at preferential rates by legal firms approved by the Reserve Bank of India.

Society Registered under the Societies Registration Act, 1860. Seven or more individuals who come together to pursue educational, scientific, or charitable objectives, as defined under the Societies Registration Act, 1860, may establish such a society by signing a memorandum of association and submitting the required application to the Registrar of Societies.

Registration under the 1860 Act grants legal recognition to the society, enabling it to open a bank account, secure approvals from tax authorities, act on behalf of the organisation, and engage in other formally recognised activities.

Trust (Foundation). A trust (or foundation) is created through the assignment of responsibilities over certain property. It initially consists of three parties: the settlor (or grantor), the trustees, and the beneficiaries. A trust is established by means of a trust deed (also referred to as a fiduciary deed). The registration procedure is very simple and only requires the execution and registration of the trust deed. The registration process can typically be completed within a single day.

The full registration timeline varies: forming a Section 25 Company typically takes at least 2–3 months from initiation, forming a society takes about one month, and a trust can be established within 2–3 weeks.

Non-profit organisations (whether a Section 25 Company, a society, or a trust) may receive funding from abroad. The receipt of foreign contributions by such organisations is regulated under the Foreign Contribution Regulation Act, 1976 (FCRA).



Table 5. Different Forms of Non-Profit Organisations

No	Category	Section 25 Company	Society	Trust
1	Purpose	Non-profit activity	Non-profit activity	Non-profit activity
2	Registration	Documents must be submitted to the Regional Director of the Registrar of Companies. The registration process typically takes 2–3 months.	Documents must be submitted to the Registrar of Societies. The process takes at least 1 month	Established by preparing a trust deed and registering it with the Sub-Registrar. Registration usually takes 2–3 weeks.
3	Minimum number of members	2–3 individuals	At least 7 individuals. For pan-Indian operations, at least 8 individuals from different states are required.	Atleast 2 individuals.
4	Governance	Managed by a Board of Directors	Managed by a governing body (may operate under any name)	Managed by a Board of Trustees
5	Meetings	Board meetings must be held at least once every three months and no fewer than four times a year. An Annual General Meeting must be held once per year.	An annual meeting is held once a year. Additional meetings may be convened in accordance with the organisation's bylaws.	Trustee meetings are held in accordance with the trust deed.
6	Reporting	An annual financial report must be filed with the Registrar of Companies. Any changes to the board must be reported using the prescribed form.	The composition of the governing body must be registered annually with the Registrar of Societies.	No statutory reporting obligations.

No	Category	Section 25 Company	Society	Trust
7	Liability	Directors have limited liability. Liability for non-compliance is governed by the Companies Act.	Members have limited liability and are generally not personally liable for the obligations of the society, except in specific cases.	Trustees bear personal liability for all matters related to the operation of the trust.
8	Legal Status	A separate legal entity distinct from its members.	A separate legal entity distinct from its members.	A single legal entity.
9	Change of Objectives	A complex procedure governed by the Companies Act	A simple procedure governed by the Societies Registration Act	Cannot be changed without the settlor's consent
10	Dissolution	May be dissolved under the Companies Act; the procedure is complex	May be dissolved under the Societies Registration Act	May be dissolved as stipulated in the trust deed

Self-Assessment Questions

1. What are the available forms of foreign company registration in India? Which form would you choose for registering your business at this stage, and why?
2. What is the step-by-step procedure for registering the type of company you selected in India?

PRACTICUM: FIGURES AND FACTS

Export/Import Potential (Promising industries, products, business sectors, and levels of competition)



Promising areas of cooperation

1. **Mining Industry.** India is expected to remain a promising market for Russian mining equipment in the near term.

There is consistent demand in the country for longwall mechanised mining systems, large draglines, open-pit excavators, bulldozers, heavy-duty haulage trucks, and drilling rigs.

2. **Energy Sector.** India continues to experience a persistent electricity shortage, which is likely to worsen as industrialisation progresses. This presents strong opportunities for the supply of energy equipment to nuclear power plants as well as facilities powered by conventional and renewable sources. The number of solar and wind energy projects is rising, and hydrogen is playing an increasingly important role.

There is steady demand for equipment used in refineries and LNG terminals, along with geological exploration services.

3. **Machinery and Infrastructure.** In light of India's plans to modernise and expand its railway network, there is demand for modern locomotives and rolling stock, advanced signalling and traffic safety systems, and state-of-the-art technologies for the development and operation of railway infrastructure. As part of the country's urban transport development efforts, there is interest in specialised equipment for metro system maintenance, as well as electric buses. The Indian government is also prioritising the development of inland waterways for the transport of both passengers and cargo. A promising area for Russian exports to India is agricultural machinery, including equipment for the processing and handling of agricultural produce. India has a particular need for post-harvest grain handling equipment, due to significant crop losses caused by improper storage conditions. There is also growing demand for infrastructure development, especially in the construction of urban water supply and wastewater treatment facilities.
5. **Agricultural Products.** India is one of the world's largest importers of food products. Russia has traditionally supplied the Indian market with pulses and vegetable oil.
6. **Metallurgical Industry.** The experience and technologies of Russian companies can be applied both in the construction of new metallurgical facilities and in expanding the production capacities of existing sites in India.
7. **Helicopter Manufacturing.** There is strong potential for the sales of Russian civilian helicopter models.
8. **Chemical Industry and Fertilisers.** Russia's natural resource base for producing chemical products and fertilisers offers a competitive advantage in trade with India, which has limited capacity in this sector.
9. **Forest Industry Products.** Driven by increasing demand for natural wood products and constrained domestic supply, India's market for forest industry goods continues to grow. This creates opportunities for Russian suppliers to expand exports of plywood, timber, and prefabricated glulam houses to the Indian market.

10. **Shipbuilding.** Amid the development of inland waterways, coastal shipping, and growing Indian interest in Arctic research, there is significant potential for cooperation in the construction of energy-efficient cargo and passenger vessels, port infrastructure (including multimodal terminals), and research ships. There is also demand for related technologies, including integrated communication and automation systems, satellite navigation (including night-time navigation), deep-sea fishing equipment, underwater robotics design, and offshore oil platform engineering.
11. **Environmental Protection.** As part of the “Clean India” programme, particular attention is being given to the development of technologies for solid waste processing, water purification, and air pollution control.

The Indian side has identified innovation in waste-to-energy technologies as one of the most promising areas for development over the next five years.

12. **Security at Infrastructure Facilities.** With India’s infrastructure rapidly expanding, including airports, seaports, highways, and linear assets such as oil and gas pipelines, there is a growing need for systems to ensure and monitor site security. Currently, there is strong demand for video surveillance, scanning and recognition technologies, and systems based on artificial intelligence.

Joint Russian–Indian Projects

Major Investment Projects by Indian Companies in Russia:

1. Since 2001, the Indian company ONGC Videsh Ltd. has held a 20% stake in the Sakhalin-1 offshore hydrocarbon extraction project (Sakhalin Region). Estimated investment: \$7.1 billion.
2. In 2009, ONGC Videsh Ltd. (OVL) acquired the Imperial Energy Group, which is engaged in oil exploration and production in the Tomsk Region. Estimated investment: \$2.1 billion.
3. In 2014, Oil India Ltd. acquired a 50% stake in License Block 61 in the Tomsk Region from Ireland’s PetroNeft Resources Plc. Investment: \$85 million.

4. Since 2016, the Indian companies Oil India Limited, Indian Oil Corporation, and Bharat PetroResources have held a 29.9% stake in Taas-Yuryakh Neftgazodobycha LLC (Republic of Sakha (Yakutia)). Estimated investment: \$1.2 billion.
5. Since 2016, ONGC Videsh Ltd., Oil India Ltd., Indian Oil Corporation Ltd., and Bharat PetroResources Ltd. have held a 49.9% stake in the oil and gas company Vankorneft JSC (Krasnoyarsk Krai). Estimated investment: \$5.5 billion.
6. In 2016, the Indian company Sun Pharma acquired an 85.1% stake in the pharmaceutical ingredients plant Biosintez (Penza). Investment: \$60 million.
7. In 2018, a pharmaceutical manufacturing plant was opened in Belgorod Region. The main investor is the Indian company Advanced Pharmaceutical Inc. Estimated investment: \$10 million.
8. PSK PHARMA LLC (a subsidiary of Rus Biopharm LLC, founded by Indian nationals) is constructing a biotechnology complex for the production of pharmaceutical products. Estimated investment: RUB 4 billion.
9. Jodas Expoin LLC (ultimately owned by Indian nationals) is constructing a facility in Voskresensk (Moscow Region) for the production of pharmaceutical substances for cancer treatment. Investment: approximately RUB 900 million.
10. In February 2019, the Indian conglomerate Uflex began construction of a plant to produce biodegradable polyester film in the Stupino Quadrat Special Economic Zone (Moscow Region). Declared investment: RUB 5 billion.
11. In 2002, the Russian–Indian joint venture Universal Food Technologies LLC opened a tea packaging factory in Serpukhov. Investment: RUB 260 million.
12. In 2018, the Indian company KGK Group opened a diamond processing plant in Vladivostok (Primorsky Krai). Estimated investment: \$43 million.
13. In 2020, the Indian company M. Suresh opened a diamond processing facility in Vladivostok. Estimated investment: approximately \$5 million.

14. In 2018, the Indian company Jayanti Group opened a tea packaging facility, JT LLC, in Artyom (Primorsky Krai). Estimated investment: \$3 million.

Major Investment Projects by Russian Companies in India:

1. A butyl and halobutyl rubber production plant in the state of Gujarat, established as a joint venture between PJSC SIBUR Holding and the Indian company Reliance Industries. Estimated investment: \$600 million.
2. Since 2013, the Russian company MGK "Svetovye Tekhnologii" has been producing general and specialised lighting equipment in Jigani, Karnataka, with a monthly production capacity of 60,000 lighting units.
3. In 2016, PJSC Rosneft Oil Company acquired a 49.13% stake in Essar Oil Limited (later renamed Nayara Energy) and its affiliated companies from Essar Energy Holdings Limited. Investment: \$12.9 billion. An additional investment of \$750 million is planned by Rosneft to expand the main Essar Oil refinery in Vadinar. The project includes the construction of a 450,000-ton-per-year polypropylene recovery unit, a polypropylene finishing plant of equal capacity, and a facility for producing 200,000 tons per year of methyl tert-butyl ether (MTBE), which is used in the production of high-octane gasoline.
4. PJSC NLMK— construction of a transformer steel plant in the state of Maharashtra, with an annual capacity of 65,000 tons. Total project cost: \$120 million (including \$40 million invested in Russia).

Investment Projects Under Development:

1. Construction of a multidisciplinary medical centre in Ulan-Ude by the Indian company Medanta, in cooperation with JSC Corporation for the Development of the Far East and Arctic. At the Fifth Eastern Economic Forum, a memorandum was signed outlining investment projects by Indian companies in the Russian Far East totalling RUB 2.5 billion.

2. Implementation of investment projects by the Indian Uflex Group for the production and processing of polyethylene and methanol in Amur Region, near the Amur Gas Processing Plant, as well as for the production of polyethylene film in Primorsky Krai (facilitated by JSC Corporation for the Development of the Far East and Arctic).
3. Participation of Indian companies in the development of copper and coal deposits (facilitated by JSC Corporation for the Development of the Far East and Arctic).
4. Participation of Indian companies in the Vostok Oil investment project (facilitated by PJSC Rosneft).
5. Participation of Indian companies in the Arctic LNG-2 investment project (facilitated by PJSC NOVATEK).
6. Construction of a pyrolysis unit and subsequent polymer production plants in Paradeep, Odisha (a joint venture by PJSC SIBUR Holding and Indian Oil Corp. Ltd.).
7. Participation in the construction and subsequent operation of port infrastructure at the Sukhodol Sea Port (Adani Ports and Special Economic Zone).
8. JSC Transmashholding and JSC Sinara – Transport Machines are in negotiations with Indian companies Monnet Group, Indian Railways, and Delhi Metro Rail Corporation on potential cooperation in jointly producing railway rolling stock.
9. Sudoexport LLC, together with Indian companies Cambridge Construction Pvt Ltd and Bharat Freight Group of Companies, is discussing implementation mechanisms for projects to construct cargo and passenger vessels for India's inland waterways.
10. The Russian Environmental Operator, in partnership with Tata Motors, is exploring the localisation of waste collection vehicle production in Russia.

Self-Assessment Questions

1. What are some of the most successful Russian–Indian cooperation projects you can name? In your view, what accounts for their success?
2. In which sectors is cooperation between Russia and India currently lacking, but should be developed in the near future?



PRACTICUM: FIGURES AND FACTS

Models of Engagement and Cooperation with Modern Indian Companies: Market Entry Challenges and Mitigation Strategies



To establish a successful business in India requires understanding several structural features, the most significant of which is the high level of competition, largely driven by widespread unemployment. As a result, it is common for individuals to engage in multiple economic activities simultaneously. A large share of the population is involved in trade, resulting in an oversupply of goods and services amid limited consumer demand.

There are around 3.5 million registered small and medium-sized enterprises (SMEs) in India. Including micro-enterprises, the number rises to 37 million, excluding unregistered entrepreneurs.

Without a well-defined business strategy—covering sector, target audience, location, promotion channels, and other key factors—and one that fully reflects the specific features of the Indian market, the risk of business failure is extremely high. One of the key recommendations for mitigating this risk is to conduct a thorough market analysis of the relevant segment before entering the market.

Business Conditions and Constraints in India

1. Legal Diversity: While national-level principles exist, each state applies its own regulations. Navigating these complexities often requires the services of qualified legal professionals.
2. The high prevalence of microbusinesses (such as souvenir stalls, tour agencies, and similar ventures) makes this niche difficult to enter.
3. Longstanding cultural traditions persist in India, particularly those linked to the varna-jati system. Although caste-based stratification is officially prohibited, social distance between certain groups remains. Moreover, reservation policies that allocate quotas for members of lower castes in government service and higher education remain a source of considerable controversy.
4. The widespread role of intermediaries increases the risk of delays, higher costs, and diminished service quality.
5. Businesses are not permitted to own land in India and must instead rely on long-term leases. In addition, companies face difficulties in hiring highly qualified personnel.
6. Goods and services are often priced higher for foreigners than for local residents.
7. Corruption remains a widespread problem within government institutions.
8. The business calendar is marked by numerous holidays, predominantly religious, which result in frequent non-working days.
9. Linguistic diversity: India has 14 official languages and more than 300 additional regional ones.
10. A process-oriented and slow-paced approach to business, characterised by long-term planning horizons and a relative absence of short-term milestones.
11. Work processes are often fragmented into simple, repetitive tasks to maximise employment.
12. Bureaucracy: while some economic zones are business-friendly and actively promote development, in other regions, the process of securing permits and approvals can face indefinite delays.

The following restrictions are considered to negatively impact market access for Russian goods in India:

- As of December 2022, the Government of the Republic of India does not impose anti-dumping measures on Russian imports. However, a technical trade barrier applies to steel products. On 17 July 2020, the Steel and Steel Products (Quality Control) Order, 2020, issued by the Ministry of Steel of India, entered into force. Under the provisions of this order, the import of steel products—including hot-rolled steel, steel sheets, electrical steel, steel bars, and steel wire—is permitted only if the goods conform to Indian quality standards. Compliance must be confirmed by the presence of a Standard Mark, which may be used only under a licence issued by the Bureau of Indian Standards (BIS).
- India maintains a complete ban on the import of beef and food products containing any beef-derived components. The sole exception applies to raw cowhides, which may be imported for further processing. Exporters of food products must provide documentation confirming the absence of beef content in any form.

In 2022, the following key challenges were identified in the sale of goods on the Indian market:

1. Payment settlement issues. Numerous Russian foreign trade participants reported refusals by Indian banks to process payments to Russian companies. Notably, the State Bank of India suspended transactions involving Russian entities under sanctions. Currently, the situation is being managed through payments in national currencies via banks that maintain special vostro accounts.
2. Difficulties in opening letters of credit for Indian suppliers. According to a Russian importer of viscose-polyester yarn, this is due to insurance companies' refusal to cover contracts with Russian companies.

3. Shipping challenges for goods from India. Indian insurers have revised their assessment of Russia's short- and medium-term country risk, raising the risk classification as of 25 February 2022. This change has adversely impacted the commercial viability of shipments.
4. Refusal by postal services to deliver goods to Russia.

Self-Assessment Questions

1. Which key restrictions or specific conditions for conducting export activities in India do you consider most critical for your business?
2. What current procedural challenges exist in organising trade between the two countries? What solutions do you propose?

PRACTICUM: FIGURES AND FACTS

Algorithm for Effective Product Promotion in the Indian Market



The key stages for promoting products in the Indian market are as follows:

1. Conduct a thorough market analysis.
2. Participate in specialised trade fairs and exhibitions in India to evaluate the export potential of your products and identify prospective partners.
3. Review Indian legislation, including customs, corporate, tax, contract, and arbitration law.
4. Ensure that products intended for export meet Indian standards for quality, industrial and food safety, and labelling requirements, and obtain the necessary licences and permits for exporting Russian goods to India.

5. Establish and develop contacts with national business associations – such as the Federation of Indian Chambers of Commerce and Industry (FICCI) [<https://ficci.in/>] and the Confederation of Indian Industry (CII) [<https://www.cii.in/>] – as well as relevant industry associations, in order to present the products intended for export and evaluate their alignment with market criteria.
6. Identify direct buyers or local distribution companies in the Indian market and conclude supply agreements with them.
7. Open a representative office or establish a subsidiary in India, if required.
8. Participate in international tenders, with relevant information published on the websites of the contracting organisations.

Self-Assessment Question

1. List the essential tools and steps required to launch a successful export operation in India.

PRACTICUM: FIGURES AND FACTS

Special Economic Zones (SEZs)



Special Economic Zones in India are specifically designated geographic areas aimed at expanding exports, creating employment, and attracting new technologies. These zones operate under a more liberal regulatory framework than the rest of the country.

The principal legal instruments governing SEZs are the Special Economic Zones Act, 2005, and the SEZ Rules, 2006, as amended in 2010. Certain aspects of SEZ operations are also regulated by the Foreign Exchange Management Act, the Tax Code, and the Customs Code.

SEZs are governed through a three-tier administrative structure.

At the national level, the highest oversight authority is the inter-ministerial Board of Approval, operating under the Ministry of Commerce and Industry of the Government of India. At the zone level, regulatory functions are performed by the Committee of Approval. Each SEZ is headed by a Development Commissioner, who also serves as a member of the Committee.

Under current legislation, SEZs may be established by the central government, state governments, or private-sector initiatives. Public, private, and public-private partnership (PPP) enterprises may operate within these zones. Full foreign ownership is permitted under the automatic approval route, meaning that no prior approval from Indian authorities is required.

An entrepreneur planning to establish a new SEZ must submit an application to the state government and the Approval Bureau of the Department of Commerce under the Ministry of Commerce and Industry of India. The application must be accompanied by a business plan detailing the funding sources, the type and scale of production (or services), and the target markets, with a primary focus on global sales.

The minimum land area required for setting up a new SEZ depends on its designation: multi-sector zones must cover at least 10 sq. km and include a container terminal; specialised SEZs require 1 sq. km; duty-free trade and warehousing zones require 0.4 sq. km; jewellery manufacturing zones require 0.1 sq. km; and zones for innovation and technology development also require 0.1 sq. km.

A key feature of SEZ operations is that export-oriented production within these zones is exempt from the laws and regulations applicable in India's domestic customs territory. Enterprises operating in SEZs are permitted to freely import equipment and raw materials needed for their production activities, and to sell and move goods freely within the zone. The only mandatory requirement is that 100% of the goods produced must be exported.

The movement of goods between SEZs and ports is unrestricted. Transactions involving the supply of goods and services to SEZs from India's domestic customs territory are treated as exports.

Resident enterprises in SEZs enjoy partial exemptions from taxes and duties. In addition to tax benefits, a range of other preferences is available to businesses operating within SEZs: duty-free import of goods from India's domestic customs territory for the development of integrated export infrastructure and production facilities (including equipment, raw materials, consumables, spare parts, etc.); no licence required for establishing small enterprises within SEZs; no licence required for import activities; the period for repatriating export proceeds is extended to 365 days (compared to 180 days for other exporters); customs procedures for import and export

are simplified; foreign enterprises may be engaged as subcontractors; to promote capital-intensive production, the depreciation period for imported fixed assets is extended from five to eight years; external commercial borrowing of up to \$500 million per year is permitted without restrictions on maturity (through authorised banks); external infrastructure up to the SEZ boundary (water, electricity, security, etc.) is provided by the state; all internal infrastructure must be developed by the SEZ developer or owner.

Companies operating outside the SEZ framework are not permitted to conduct business within SEZ territories.

As of 27 January 2022, a total of 425 SEZs had received formal approval. Of these, 357 were officially confirmed, and 268 were operational. The functioning SEZs host 5,604 companies, employing approximately 2.6 million people.

Most of India's SEZs are located in states with well-developed infrastructure, including seaports. Some of the largest zones include Visakhapatnam and Sri City (Andhra Pradesh), Kandla (Gujarat), Falta (West Bengal), Cochin (Kerala), Santa Cruz (Maharashtra), Madras (Tamil Nadu), and Noida (Uttar Pradesh).

Self-Assessment Question

1. What is the economic focus of India's Special Economic Zones, and what benefits do they offer to businesses?

PRACTICUM: FIGURES AND FACTS

Trade Policy of the Republic of India. Customs and Tariff Regulations



India's foreign trade activity is governed by the Foreign Trade (Development and Regulation) Act, 1992, and the Foreign Trade (Regulation) Rules, 1993.

The Directorate General of Foreign Trade, operating under the Ministry of Commerce and Industry, is responsible for formulating and implementing India's foreign trade policy. A new policy is currently being developed (the previous one was in effect from 2015 to 2020). This policy regulates the procedures for exporting and importing goods and services, has the force of law, and is binding on all participants in foreign trade within India.

The collection of customs duties in India is governed by the Customs Tariff Act, 1975. Amendments to the customs tariff are adopted during the annual budget session of the Indian Parliament. The Government of India introduces changes and amendments to applicable legislation through circulars and notifications issued under laws enacted by Parliament, primarily via the national budget and the foreign trade policy. Indian customs regulations are aligned with WTO rules.

Import duties are levied on all goods entering the country, including those intended for government use. The applicable rates are published annually in the Customs Tariff of India and on the official website (www.cbic.gov.in).

Duties are calculated based on the value declared in the customs declaration (Bill of Entry). This valuation includes the invoice price, along with transportation and cargo handling costs.

Customs duty in India comprises three components: the basic customs duty, the Integrated Goods and Services Tax (IGST), and the Social Welfare Surcharge (SWS). IGST is applied to every import transaction. In certain cases, additional duties such as anti-dumping or countervailing duties may also be imposed.

When calculating customs duty rates, it is important to consider that trade relations between Russia and India are governed by the Agreement between the Government of the Russian Federation and the Government of the Republic of India on Trade and Economic Cooperation, dated 4 May 1992, which establishes a Most Favoured Nation regime.

India is among the developing countries that benefit from the tariff preferences system of the Eurasian Economic Union (EAEU).

The country has adopted a number of export promotion programmes under which imports of goods intended for the production of export-bound products are partially or fully exempt from customs duties.

Non-tariff barriers include the mandatory registration of foreign trade participants, selective licensing of foreign trade transactions, strict labelling requirements, compliance with Indian quality standards (IQS), and control measures for the import of agricultural products (including the requirement to obtain phytosanitary certificates and various permits for importing plants, fruits, seeds, and animal-based products).

Most market protection measures affecting Russian exports have been lifted following the efforts of the Russian Ministry of Economic Development and the Ministry of Industry and Trade.

Uncertainty remains regarding special safeguard investigations concerning the following substances:

- Isopropyl alcohol, subject to a two-year import quota;
- Polyvinyl chloride, subject to a one-year import quota;
- Isobutylene rubber, currently under investigation for import-related concerns.

Under the requirements of the Bureau of Indian Standards (BIS), 74 product categories in India are subject to mandatory certification prior to import.

The Bureau of Indian Standards is the national authority for standardisation, established to ensure the coordinated development of standard, labelling, and quality certification activities.

The BIS operates with the following key priorities:

- Providing safe and reliable quality goods;
- Minimising health risks for consumers;
- Promoting exports and import substitution;
- Carrying out standardisation, certification, and testing.

India's technical regulation system is built on mandatory national standards that impose binding requirements for certain product categories. Appendix No. 4 lists the key legal and regulatory acts governing quality and safety control of goods in circulation, along with the specifics and forms of conformity assessment applicable to each product group.

Self-Assessment Questions

1. What is the structure of customs duties in India, and which law governs them?
2. Which agreement regulates trade and economic cooperation between the Russian Federation and the Republic of India?

PRACTICUM: FIGURES AND FACTS

International and Domestic Logistics



Key ports for shipment and receipt of cargo in India:

- Port of Bombay (Mumbai);
- Port of Chennai;
- Port of Jawaharlal Nehru (Nava Sheva);
- Port of Mundra;
- Port of Pipavav.

Cargo from India arrives at the following Russian ports:

- Saint Petersburg;
- Ust-Luga;
- Novorossiysk;
- Vladivostok.

Cargo transportation between Russia and India is typically organised via multimodal logistics schemes. Depending on volume, these may involve

either consolidated shipments or full vessel charter. Approximately 80% of bilateral trade cargo passes through the Port of Saint Petersburg, with the remainder handled through the ports of Novorossiysk and Vladivostok.

Active efforts are currently underway to develop the multimodal International North–South Transport Corridor (INSTC), which stretches 7,200 km from Saint Petersburg to the Port of Mumbai. The INSTC's main advantage over the maritime route via the Suez Canal is that it reduces transport time by half. Preliminary estimates place the corridor's capacity at 25–26 million tonnes per year.

Recently, there has been renewed discussion about reviving regular shipping services along the Chennai–Vladivostok maritime corridor. The international FESCO–Indian Line, launched in 1967, operated for more than 30 years.

Consideration is also being given to developing direct air cargo routes between major metropolitan airports in Russia and India.

Logistics service costs are determined on a case-by-case basis to minimise client overheads. The cost of shipping goods from India depends on several factors:

- Transport characteristics of the cargo (volume, weight, nature of goods, and other relevant parameters);
- Point of departure: selecting the nearest consolidation warehouse or port area to reduce local delivery costs;
- Delivery terms under INCOTERMS;
- Transit through the EU or CIS countries, with the transit point determined based on the type of shipment (full container load, consolidated cargo), mode of transport, and required set of additional logistics services;
- Partner selection: container lines, air carriers, and terminal partners.

Maritime and Multimodal Delivery Routes:

- Route No. 1: Port of Kandla (Gujarat) – Saint Petersburg;
- Route No. 2 (INSTC): Port of Mumbai (Maharashtra) –Port of Bandar Abbas (Iran) –via CIS countries –across Russia;

- Route No. 3: Port of Chennai – Vladivostok;
- Route No. 4: India –Istanbul (Turkey) – Novorossiysk.

The following operators provide services on these routes:

- Novorossiysk: Delo Group (PJSC TransContainer and logistics operator Ruscon);
- Saint Petersburg: Freight forwarding company Modul;
- Vladivostok: Kristall Alliance Group.

Air delivery routes:

- PJSC Aeroflot: Up to 20 tonnes of cargo on each weekly flight;
- LLC Volga-Dnepr Airlines: Weekly scheduled flight on the Moscow–Mumbai route.

Insurance

In June 2022, the Government of India established an insurance pool under the national reinsurance agency, the General Insurance Corporation of India (GIC Re, <https://www.gicre.in/en/>), amounting to INR 5 billion (\$62.5 million). This measure enabled India to bypass the G7 restrictions on Russian oil.

Since the business is recorded on the books of GIC Re, insurance companies are shielded from the risk of facing any sanctions that may affect the sector.

The option to insure other types of cargo is currently under consideration, based on the mechanism proposed by the Russian side within the framework of the National Reinsurance Agency.

In addition, the Russian insurer Ingosstrakh is in negotiations with the Insurance Regulatory and Development Authority of India (IRDA) regarding the potential expansion of its insurance operations in India.

A list of Indian insurance companies is available on the IRDA website: <https://irdai.gov.in>.

Self-Assessment Questions

1. What are the main transport routes and ports used for logistics operations between Russia and India?
2. Where can you find information about Indian insurance companies to support your business activities?

PRACTICUM: FIGURES AND FACTS

Payment Settlement Mechanisms with India



Under current conditions, sanctions imposed on Russian banks have significantly disrupted established trade relations between Russia and India. However, by late March 2022, the two countries had agreed to develop a dedicated mechanism for mutual settlements and the exchange of import and export documents. On the Russian side, the system is based on the Bank of Russia's Financial Messaging System (SPFS). Rouble payments are deposited into accounts held by Indian banks and converted into rupees, and vice versa. At the same time, India continues to pay for oil in US dollars and euros. Negotiations are ongoing regarding the mutual integration of Russia's Mir payment system with India's UPI, whilst efforts are being made to simplify settlements at the level of individual banks. Participating Indian banks include Canara Bank, Bank of Maharashtra, and Uco Bank. On the Russian side, participants include St. Petersburg Social Commercial Bank, Zenit, Tatsotsbank, Centroccredit, Soyuz, MTS Bank, and Gazprombank.

Currently, several Russian and Indian banks are successfully conducting transactions in national currencies, and the list of participating institutions continues to grow. However, many Indian banks remain cautious and prefer to avoid such operations to protect themselves from potential scrutiny by Western regulators. Sberbank and VTB are examples of successful cooperation. Both have subsidiaries or affiliated entities in India that operate under full Indian banking licences. Sberbank holds a broader licence than VTB, enabling it to carry out correspondent operations and settlements directly in roubles and rupees. VTB, by contrast, conducts such transactions through a foreign correspondent bank (HSBC).

To promote the growth of global trade—particularly exports from India—and to support the increasing international interest in the Indian rupee, the Reserve Bank of India introduced a supplementary rupee-based settlement mechanism for export and import operations in July 2022. According to the RBI's circular, transactions in national currencies may be carried out through Indian AD Category I banks (such as State Bank of India, HDFC, AXIS Bank, Punjab National Bank, and other institutions affiliated with these banks), provided the Indian counterparty maintains an account with one of these banks and has a valid export-import contract with a Russian company. The invoice is issued in a freely convertible currency, while the settlement is made in the currency of the beneficiary.

Traditional payment channels in US dollars and euros remain operational between non-sanctioned Russian banks and their Indian counterparts. One significant step towards strengthening financial integration could be the synchronisation of the two countries' payment systems—Mir and RuPay. The prospect of introducing a BRICS reserve currency is also under discussion.

Transfers are also routed through foreign banks. In cases where international partners refuse to work with Russian banks, companies open accounts in foreign jurisdictions without residency requirements. These are primarily EAEU and CIS countries. Kazakhstan and Armenia, in particular, offer the option to open non-resident accounts remotely.

Self-Assessment Question

1. What are the current challenges to implementing the rouble-rupee settlement system?

PRACTICUM: FIGURES AND FACTS

Cross-Cultural Aspects of Doing Business



Business Meeting Etiquette, Recommendations, and Taboos

Doing business in India should be approached first and foremost through the lens of cross-cultural management. The first part of this manual already outlined the civilisational and socio-cultural traits of Indian partners, as well as their distinct communication style, viewed through the cross-cultural frameworks of G. Hofstede and R. Lewis.

Broadly speaking, engagement with Indian partners generally unfolds in the following stages.

STAGE 1: PREPARATION FOR ENGAGEMENT

When preparing for negotiations with Indian partners, it is crucial to identify and choose a trustworthy counterparty. Visiting trade fairs and conferences in advance is strongly advised, as is building relationships with leaders of local industry associations and councils, and gathering information on key sector players via the Trade Representation or the Russian Export Center. The Indian market is large and fragmented, and it can be difficult to find a reliable partner while avoiding fraud, an all-too-common risk, or financially unstable counterparties.

The most effective way to establish contact in India, as in much of the East, is through a referral from a respected member of the local community. Without one, you may not even be granted a conversation. A recommendation carries more weight than either the projected profitability of a deal or the prospect of earning money with an unfamiliar partner.

It is also important not to send young teams to negotiations. Indian society is traditional and hierarchical, where managerial roles are typically assumed after the age of fifty, and senior executive status attained only after sixty. In the view of Indian businesspeople, young professionals are not expected to act independently or make decisions in the absence of a senior figure. Therefore, any delegation should include an older member. This person should not be a woman, a reflection of cultural norms rooted in Eastern traditions. These norms, however, are less rigid in India than, for example, in the Middle East.

Ideally, participants should familiarise themselves with “Indian English” before the trip, since difficulties with local pronunciation can significantly hinder negotiations.

It is essential to move to face-to-face interaction as early as possible. Indian partners are often overwhelmed by written communication and generally respond poorly to remote-only formats. If initial contact begins online, it is important to follow up immediately with a phone call to confirm receipt, then move to video conferencing, and eventually to an in-person meeting. India is a country where personal interaction matters most.

STAGE 2: FACE-TO-FACE INTERACTION

Face-to-face interaction is the most effective form of communication, so travelling to India and establishing direct contact as early as possible is advisable.

Indians value ceremony at the start of meetings. Introductions tend to be lengthy, with formal mention of each participant's title and position. This ritual should not be overlooked. Ideally, all participants should hold senior titles, at least on their business cards, such as "Director" or "Head of Department." Academic degrees and professional qualifications (such as doctorates or MBAs) are also highly regarded.

At the start of negotiations, the usual form of address is 'Mr.' or 'Ms.', and 'Dr.' where applicable. However, Indians tend to move to first-name terms fairly quickly.

Meetings are opened by the most senior participant, but discussions soon shift to group-based interaction, as Indian business culture does not maintain the strict hierarchy seen, for example, in China.

It is considered impolite to launch straight into business matters. Indians prefer to approach the subject gradually, sometimes progressing over the course of several in-person meetings: beginning with a shared understanding of mutual interest and only then moving towards the specifics of a project. From their perspective, personal rapport must come first: sharing a meal, meeting each other's families, and other informal social exchanges often precede any substantive business discussion.

At the outset of a business conversation, Indians often begin by referencing the Soviet–Indian and Russian–Indian friendship, frequently emphasising that India is a closer friend to Russia than China. They also enjoy talking about family and show genuine interest in the subject, as it is one of their core values. Avoid discussing caste, delving into religion, or raising the issue of relations with Pakistan. Indians are generally not interested in abstract or humanitarian issues, but they will be genuinely pleased if you know Bollywood actors or players from the national cricket team – these are sources of national pride and enthusiasm. Familiarity with them helps set a positive tone before moving on to business.

During the business negotiations, it is important to have a strong moderator on the Russian side, as Indian counterparts tend to digress into details, shift topics, and often conclude meetings without firm agreements. Their approach to reaching a concrete outcome is typically more measured than ours. For this reason, someone must consistently steer the discussion back on track and ensure that all agreements are clearly summarised at the end. A written protocol must be prepared, and, just as importantly, follow-up communication should be maintained on a weekly basis, even after the Russian team has returned home. Otherwise, progress may simply stall.

Indians enjoy bargaining and value it when their counterpart also engages – it is a normal and welcome part of negotiations. However, it is important to recognise when bargaining plays a constructive role, as in active discussion over terms and pricing, and when the conversation begins to drift. If the Indian side starts changing the subject, postponing meetings, or avoiding specifics, it often signals declining interest or dissatisfaction with the terms, although they are unlikely to say this directly. At that point, it is essential to identify where the negotiation stalled, revisit that stage, and steer the conversation towards a positive close. Capturing and affirming that positive outcome is key.

When moving towards the signing of a deal, it is crucial to thoroughly recheck even those contract clauses that were previously reviewed and agreed upon. Indian counterparts do not typically operate with a concept of “deception” in the conventional sense. Instead, it more closely resembles the Russian idea of “resourcefulness” or “ingenuity”. As a result, it is not uncommon for changes to be made to the contract before signing, without prior notification. If such changes come to light, the counterpart is unlikely to express embarrassment; more often, the response will be mild amusement or a shrug, rather than an apology.

Since India is a country where personal relationships come first, a written contract carries less weight. Indian partners may revise or cancel agreements with relative ease, and the judicial system is unlikely to resolve such disputes in a timely manner. What matters most is reaching a level of genuine friendship and trust. Only then will they work with you effectively, often going well beyond the terms of the contract. The principle here is not “nothing personal, just business,” but rather “personal first, business later.”

At the end of meetings, Indians often like to take photos and exchange gifts – not just once, but at the end of each round of negotiations. One should be prepared for this, as it helps to reinforce personal ties. Russian gifts such as alcohol, chocolate, porcelain, and crystal are particularly appreciated.

STAGE 3: INFORMAL INTERACTION

The most common informal event is a long shared meal, usually dinner, which begins around 8:00 or 9:00 p.m. and may last until midnight or later. These gatherings typically take place in hotel restaurants or well-known local establishments.

Indians appreciate compliments on their cuisine. They generally prefer formal sit-down meals over buffets, and there are no special table rituals or toasts.

Indians do drink alcohol, but they do not push for large quantities and are not prone to excess. They appreciate guests who eat heartily and show visible enjoyment.

Work is rarely discussed over meals; typical conversation topics include Russia and India, culture, and travel.

One may behave informally at such events, for example by switching seats, engaging in one-on-one conversation, or taking photographs.

These gatherings typically take place during every visit. A similar approach is expected when Indian partners visit Russia.

Self-Assessment Questions

1. Outline the socio-psychological profile of an Indian businessperson. Which five key characteristics would you take into account during negotiations and business dealings?
2. Describe the step-by-step approach to effective communication with Indian partners, beginning with establishing contact. Which cross-cultural tools would you apply, and which would you avoid?

PRACTICUM: FIGURES AND FACTS

Case Studies for Self-Assessment



Case No. 1

You wish to offer a promising project to a well-known Indian company. In your message, sent both to the company's general inbox and to the CEO, you clearly present a genuinely compelling proposal. When following up by phone, you learn that the message was officially registered a month ago. However, no reply has been received. What steps can you take to ensure that negotiations are finally initiated?

Case No. 2

You are having your first online meeting with an Indian counterpart. During the conversation, you realise that you are effectively not understanding each other. How would you respond in this situation, and how would you prepare for future meetings?

Case No. 3

On the first day of negotiations, you opened the meeting with a clear and direct presentation of the project, including financial figures and a step-by-step action plan. You then left immediately for your next meeting, thinking you were behaving professionally and respecting your counterpart's time. You are surprised to find that there has been no progress.

What mistakes did you make? After all, you handled the meeting like any seasoned professional – straight to business and respectful of your counterpart's time.

Case No. 4

A project team of young (30-something), well-educated Russian managers has been negotiating with representatives of a well-established Indian company for six months. They have presented their proposal, bargained over terms, and maintained regular dialogue, but the Indian side still hesitates to finalise the deal. Something appears to be giving them pause.

What can be done to stabilise the relationship and move the deal forward?

Case No. 5

A Russian CEO of an Indian company, aiming to foster a stronger corporate spirit, invited his employees to his villa. He welcomed them warmly, dressed in an elegant and expensive Indian outfit. His wife prepared an elaborate feast, drinking and joking with the staff, and encouraging them to switch to first-name terms. However, after this event and further efforts to introduce a new corporate culture, the CEO noticed a decline in employee performance and even a drop in the level of respect they showed him.

What cross-cultural management errors did he make in the Indian context?

Case No. 6

To encourage employees to focus on results and raise productivity, a manager introduced the concept of KPIs and explained how this could increase their earnings. However, productivity dropped. When the annual bonus was withheld, several employees resigned.

What mistakes were made, and what steps can be taken to manage motivation and improve performance?



PRACTICUM: FIGURES AND FACTS

Key Takeaways for Building Effective Relationships with Indian Business Partners, Taking Cultural Particularities into Account (Typical Mistakes, Recommendations)



Key Challenges and Opportunities

An analysis of India's projected development path points to several major macroeconomic trends and events. A threefold increase in overall production output means that by 2040, India's economy is expected to become the third largest in the world. An inflow of foreign direct investment (FDI) totalling \$1.332 trillion, extrapolated over 23 years, is expected to double India's share of global cumulative FDI by 2040. Outbound FDI reaching \$115 billion would position India the world's fourth-largest investor. Its share of global trade is projected to rise from the current 2.3% to 5.8% by 2040, positioning it as the world's second-largest trading nation after China.

India's primary growth trajectory will require a steady inflow of foreign capital to sustain development for at least the next 15 years, before the economy can become self-sustaining. This makes India's foreign direct investment (FDI) strategy critically important to initiating and accelerating growth. Transformational development will require the country's leadership

to swiftly implement the next wave of economic, political, and financial reforms, and to launch new development programmes, as the current ones have a time horizon of only 10–15 years. India's legal framework, financial and regulatory institutions, and bureaucratic system will need to ensure continuity in programme delivery. This will also underscore the urgent need to cultivate a new generation of highly qualified political and business leaders from India's population of nearly 1.5 billion.

Among the key characteristics defining India's development model are its open democracy, inclusive education system, advances in information and communication technologies, digital platforms, a vast population, and large-scale mass consumption.

India's Perception of Russia's Role

India and Russia share a long-standing trade relationship, with both countries engaged in importing and exporting a broad range of goods and services. Key Indian exports to Russia include pharmaceutical products, tea, coffee, spices, and textiles, while major imports from Russia comprise crude oil, gold, precious stones, and metals.

Looking ahead, trade relations between India and Russia are likely to continue evolving under the influence of factors such as economic growth, intensifying globalisation, and technological innovation. Broader geopolitical dynamics and shifts in global economic power may also shape the future of this bilateral trade.

Over the next two decades, India's exports to Russia are likely to expand to include higher-value industrial goods such as automobiles, electronics, and machinery, as the country aims to become a more diversified and globally competitive economy.

Meanwhile, Russian exports to India may continue to focus on natural resources like oil and gas, alongside high-tech products such as military and aerospace equipment. However, the export basket could broaden, as previously mentioned, to include railway and mining equipment, IT solutions (especially those related to production control, logistics, and object recognition), wood and timber products, water purification and waste

processing technologies, specialty steels, petrochemical and chemical products, food items, among others.

Specific categories of trade between India and Russia will depend on several factors, including shifts in the global economic and political landscape, technological advancements, and changes in consumer demand.

Possible Steps and Strategic Actions for Russia

A number of actions could be considered to enhance Russia's future business engagement with India:

- Strengthening diplomatic relations: Russia could increase high-level visits, establish representative offices of federal ministries and regional chambers of commerce and industry in India, and promote cultural and academic exchange. These steps would help foster a favourable environment for trade and business between the two countries.
- Prioritising strategic sectors: Russia could prioritise sectors in which it has a competitive advantage, such as energy, defence, and space technologies. This might include forming joint ventures and signing technology transfer agreements with Indian companies.
- Expanding the export portfolio in parallel with strategic cooperation over the next 10–15 years. The favourable information environment created through collaboration in strategic areas presents a timely opportunity to increase Russia's market presence. Indian stakeholders are well aware that, since February 2022, Russia has become one of India's key exporters, a dynamic that can facilitate the entry of new products and the broader expansion of Russian businesses in the Indian market.
- Improving transport infrastructure: upgrades to ports, airports, and highways would facilitate the movement of goods and people between the two countries. This could also involve developing new routes, such as the International North–South Transport Corridor (INSTC).

- Facilitating trade and investment: Russia could simplify and streamline procedures, lower trade barriers, and offer incentives to Russian companies investing in India. This may include creating special economic zones or industrial parks.
- Collaboration in research and development: joint initiatives could be pursued in fields such as artificial intelligence, biotechnology, and renewable energy. These may involve collaborative research projects, technology transfers, and the establishment of innovation centres.
- Promoting tourism: Russia could promote travel to India by showcasing its rich cultural and historical heritage, along with its natural beauty. This may include joint marketing campaigns, cultural festivals, and curated travel packages. Inbound tourism to Russia also needs a push, as Indian travellers enjoy exploring new destinations but are generally familiar only with Moscow and Saint Petersburg. A key requirement for intensifying tourism flows is the creation of an effective logistics infrastructure, which is currently lacking, along with the development of 3-, 4-, and 5-star hotels across Russian regions. The Indian middle class is accustomed to high service standards, and India's hospitality sector is among the world's best. Attracting Indian hotel operators to Russia could serve as a powerful driver of growth.
- Strengthening people-to-people connections: Student exchanges, language training, and cultural exchange programmes could be promoted. Such efforts would help cultivate deeper mutual understanding and appreciation of each other's cultures and values.

Projected Consequences of Action or Inaction

Several potential outcomes can be forecast for Russia's cooperation with India over the coming decades:

- Increased trade and investment would bring mutual benefit. Russia has a solid industrial base and expertise in strategic sectors, while India offers a vast consumer market and a highly skilled workforce. This would open up opportunities for joint ventures, technology transfers, and bilateral investment.

- The strategic partnership between Russia and India has deep historical roots, and closer cooperation could further reinforce it. This would serve as a counterweight to other regional powers and enhance Russia's standing in the Asia-Pacific region.
- Technology and Innovation: Russia possesses a strong scientific and technological base, while India boasts a rapidly expanding tech sector. Through collaboration, the two countries could capitalise on their respective strengths and jointly pursue research and development in areas such as space technology, artificial intelligence, and biotechnology.
- Enhancing Regional Stability: as key regional players, Russia and India can cooperate on issues of regional security, economic development, and diplomatic initiatives through frameworks such as the SCO and BRICS.
- Deepening Mutual Understanding: Joint Russian-Indian cultural events, academic exchange programmes, and tourism initiatives could help foster deeper mutual understanding between the two countries.

Failure to establish constructive engagement with India over the next two decades could entail several serious consequences for Russia:

- Missed economic opportunities: India is a rapidly growing economy with a vast population and an expanding middle class. Neglecting to pursue active cooperation could lead Russia to forfeit substantial economic opportunities, including trade, investment, and joint ventures that would support economic growth and benefit domestic enterprises.
- Diminished global influence and weakened bilateral relations. As a major actor on the world stage, India represents a vital potential partner. Russia's failure to cultivate ties may lead to the loss of a strategic ally, thereby undermining its regional standing and impairing its ability to advance foreign policy objectives.
- Increased dependence on China. China is already Russia's largest trading partner, and greater reliance on this relationship may constrain Russia's strategic autonomy and heighten its vulnerability to political and economic pressure from Beijing.

- Missed opportunities for innovation and technological advancement. India's technology sector is evolving at a rapid pace. Without establishing cooperation in this domain, Russia risks falling behind in global innovation and weakening its international competitiveness.

Overall, deeper engagement with India could open new avenues for Russia's economic growth, technological advancement, and strategic partnership, while also fostering regional stability and promoting cultural exchange.

What is required to ensure success – a practical roadmap for companies:

1. Market research and identification of key players. This process can begin with enquiries to the Russian Trade Representation, the Russian Export Center (REC), and leading Indian business associations such as FICCI (Federation of Indian Chambers of Commerce & Industry), CII (Confederation of Indian Industry), and Invest India, an agency affiliated with India's Ministry of Commerce and Industry. The latter operates a dedicated Russian Desk to facilitate engagement with potential Russian partners. Russian government representations can assist companies in identifying local partners, selecting legal or consulting firms, and conducting due diligence on counterparties. The aforementioned Indian institutions can also provide an assessment of market entry prospects for specific products and offer guidance on optimal strategies, local partners, and locations for establishing a business presence.
2. Identification of key trade fairs, conferences, and industry bodies. These include prominent organisations like FIEO (Federation of Indian Export Organisations) and EEPC (Engineering Export Promotion Council), as well as sector-specific associations and export councils. The Russian Trade Representation can assist exporters in selecting the appropriate body based on their product category or target market. These contacts are instrumental in identifying suitable partners, securing recommendations for initial outreach, and conducting background checks on potential counterparties.
3. Initial written outreach to potential partners, councils, and associations. This should include advance notice of plans to attend a trade fair or conference, coordination of meetings, and a proposal to deliver a presentation or host a roundtable discussion focused on Russia.

4. Participation in conferences and trade fairs. This involves establishing relationships with industry leaders, government officials, and corporate executives; promoting the company during the event; and planning a follow-up visit for targeted, one-on-one meetings.
5. Selection of a pool of potential partners. Partner selection accounts for more than half of a venture's success. Equally important is selecting the appropriate state for localisation, as it is the state-level authorities—not the central government—who hold decisive influence over business development.
6. Sustained engagement with industry councils. These bodies can assist with the identification and due diligence of partners and clients. Maintaining ongoing contact with selected partners and state authorities is equally essential.
7. Regular in-person meetings, ideally supported by a permanent local office.

Conclusion

If your ambition to succeed in the Indian market is to be intentional, steady, and, above all, built for the long term, with patience, focus, and the resolve to follow through on your goals, then YOU MUST ESTABLISH YOUR PRESENCE IN INDIA NOW. This is not only about aligning with our national political and economic priorities. It's also about timing: Indian companies are gaining strength fast, and within three to four years, competing with them will be far more difficult if you haven't laid the groundwork today. The Indian economy is growing at full speed, attracting the world's leading countries and corporations. The race to allocate resources and secure market positions is already under way – and tomorrow may be too late.

The experience of Russian businesses already operating in India makes one thing clear: it is not the product, marketing strategies, or even technological solutions that determine success. What truly matters is understanding the local landscape and knowing how to integrate within it. In other words, cross-cultural fluency, combined with awareness of India's unique business practices and regulatory frameworks, is the key to sustainable growth.

That's why it's so important to take the time to understand the country, to be patient with longer implementation timelines, and to put personal communication and relationship-building with partners first: not the old saying, "nothing personal, just business," but quite the opposite. If you do, the Indian market will offer opportunities few others can match and open the door to truly long-term prospects.

PRACTICUM: FIGURES AND FACTS

Success Stories



Case: PJSC SIBUR Holding – Large-Scale Business, B2B Format

PJSC SIBUR Holding, in collaboration with India's Reliance Industries Ltd., is currently implementing a project for the production of butyl rubber and halobutyl rubber in the city of Jamnagar, Gujarat State, through their joint venture, Reliance Sibur Elastomers Private Ltd. The total investment in the project exceeds \$600 million.

Production of butyl rubber commenced at the facility in 2019, followed by halobutyl rubber in September 2021. Once full operational capacity is reached, annual sales are projected to exceed \$300 million.

Key success factors:

- Accurate assessment of the market and long-term growth prospects;
- Market entry via technology export;
- Engagement with the project owner through referral and infrastructural support from business councils;
- Selection of a reliable partner, enabling effective resolution of organisational issues and risk mitigation;
- Direct cooperation with the government of Maharashtra and the Jamnagar district;
- A deliberate and appropriate degree of distance from the federal government, suited to the project's specifics.

Case: NK Rosneft – Large-Scale Business, G2B Format

Key success factors:

- Entry into the world's fastest-growing market, with an accelerating growth trajectory in core sectors;
- A deliberate choice to forgo state support when entering the private sector;
- Strategic logistics decisions and acquisition of a high-potential asset;
- Initial engagement via referral, followed by the development of personal ties with the Ruia family;
- Registration of a local Indian entity;
- Diversification into additional assets, including petrochemicals and fuel retail infrastructure.

Case: PJSC NLMK – Large-Scale Business, B2B and B2G Formats

PJSC NLMK is implementing a project in India to build a facility for the production of low-loss electrical transformer steel, with an annual output capacity of 64,000 tonnes. The investment is estimated at \$85 million, with an additional \$40 million allocated to associated activities in Russia. The high-tech facility is expected to generate approximately 150 jobs.

Key success factors:

- Inclusion in the Make in India programme, with a clear commitment to localisation;
- Close cooperation with the government of Maharashtra and receipt of preferential treatment;
- Accurate identification of target customers and alignment with relevant institutional support;
- Strategic appointment of a local representative (a former employee of the Russian Trade Representation);
- Strong collaboration with the Russian Trade Representation in establishing ties with the Ministry of Steel and resolving equipment import issues.

Case: LLC Motorica – Small and Medium Enterprise, B2B Format

Key success factors:

- A vast market underpinned by a growing middle class;
- An advanced healthcare system, coupled with strong receptiveness to cutting-edge technologies;

- High demand for IT and high-tech products, with the company holding a niche lead of 10 years;
- In the absence of social insurance and public healthcare programmes, a B2B model proved optimal;
- Tailored engagement with each state and hospital (following the “TechnoNICOL model”);
- Strategic site selection.

Case: Sinara – Transport Machines JSC – Private Business, B2G Format

Currently, 21 units of railway track machinery produced by Sinara – Transport Machines (STM) are operating across India. STM has signed three-year contracts for servicing and maintenance of this equipment, in partnership with its Indian service provider, SRB International.

Key success factors:

- Accurate assessment of the market, aligned with the Make in India programme and prevailing trends in government-backed financing;
- Thorough analysis of potential market niches in a competitive environment;
- Initial engagement with the Railway Board, followed by outreach to the relevant ministry;
- Active collaboration with the Russian Trade Representation in India;
- Local assembly and supply of spare parts as anchors for sustained market presence;
- Market entry through small-volume shipments to establish a performance track record in India;
- Exploration of options to establish a representative office in India.

Case: RZD International LLC and KAMAZ PJSC – Unsuccessful Projects

Key reasons for failure:

- Inaccurate assessment of the market and the companies' own competitive positioning;
- Absence of credible international credentials required for participation in large-scale global projects;
- Poor selection of the production site;
- Business conducted solely on transactional terms with no personal engagement;
- Slow decision-making processes;
- Emphasis on federal-level contacts despite the prevailing influence of state governments;
- Lack of support from local centres of influence amid pressure from competitors.

Table 6. Matrix of Key Principles for Interaction with Partners in India

Format / Stage of Interaction	Written	Online	In-Person
Preparation	Preparation of necessary documentation, background information on the country, and company. Cross-cultural considerations do not apply.	—	—

Acquaintance	<p>Use proper English. Clearly state job titles and positions. Specify the purpose of the enquiry. Provide a concise overview of the company, including its history and key achievements. Introduce all participants, along with their respective areas of responsibility. This format is ineffective – a transition to in-person is recommended.</p>	<p>Use proper English and be familiar with “Indian English.” Introduce all participants with full titles. Begin with a non-business conversation. Share the agenda and long-term plans, with an emphasis on mutual national benefits.</p>	<p>Informal and democratic tone. Begin with personal topics – country, nature, family. Avoid sensitive issues such as Pakistan. Conversation may appear unstructured – skilful moderation is required. The goal is to establish rapport (“chemistry”).</p>
Content of the Meeting	<p>Clearly define the subject. Confirm receipt of communication and follow up with a phone call. Observe a respectful protocol. Set clear expectations for timelines.</p>	<p>Introduce all participants with their titles. Start informally. Begin with a non business conversation. Define the discussion subject and timeframes. Use English and do not hesitate to ask for clarification.</p>	<p>Informal and dynamic discussion. The meeting is opened by the most senior participant, followed by spontaneous breakout discussions. There is frequent movement between groups. Skilled moderation is essential to maintain focus. There is no fear of “loss of face.”</p>

Bargaining	Rare in writing. Formulate and document all details carefully. Consult lawyers. Double-check responses – Indians do not have a concept of “deceit” in this context.	Usually used to clarify written positions and explain details. Clarify anything unclear from correspondence. Avoid large video calls.	Bargaining is essential in India. Only win-win is acceptable. Patience is key. Courtesy with firmness, delivered with “Occidental savoir-faire.” Even without a result, emotional contact must be preserved.
Decision-Making and Commitment	Not used for decision-making or ineffective, as written contracts carry little weight. Project progress must be monitored very regularly.	Not used for decision-making, only for operational adjustments, project coordination, and discussion of non-critical changes.	Not used for decision-making, only for operational adjustments, project coordination, and discussion of non-critical changes.
Informal Communication / Banquet	–	–	Usually, a dinner starts late and runs long. Very informal. The conversation is not about work. Gifts are common.

APPENDIX 1

Case Solutions

Case No. 1

Reaching out to an Indian company, even with a highly attractive offer, typically requires a recommendation from respected members of the business community. Such a recommendation might come from an industry association the company belongs to, or from one of its established business partners. Ideally, suggest setting up an online meeting at the executive level.



Case No. 2

In India, there's no strong fear of "losing face." It's perfectly acceptable to say you don't understand what your counterpart is saying, as long as it is expressed with humour rather than frustration. You can even propose summarising the key points in the chat then and there. Be sure to thank them for working together to find a solution. Nevertheless, the best strategy is to come prepared and, if possible, bring in someone with a strong grasp of Indian English in the next meeting with a strong grasp of Indian English in the next meeting.

Case No. 3

Your Indian partners may have been put off by an overly direct approach. In India, it is not customary to go into detail at the first meeting. Only general outlines and approximate timelines should be discussed. The first two or three meetings are generally focused on building a personal connection, discussing one another's countries, families, and future plans, and sharing lunch or dinner. Business content is added gradually. Under no circumstances should evening social interaction be skipped: it is considered an important part of the relationship-building process.



Case No. 4

In the Eastern-style hierarchical culture common in India, leaders are not expected to be young. Even highly competent and independent managers should be accompanied by a senior colleague who listens to their input and then delivers the final decision. They may handle substantive matters but are not expected to make or articulate the final decision. It is best if that final word comes from someone visibly senior. Consider including a grey-haired team member in the delegation – this helps to convey balance and authority during negotiations.

Case No. 5

The boss must preserve a commanding presence. A democratic style, or worse, appearing modestly dressed and overly frugal, can immediately diminish a leader's status in the eyes of Indian staff. He is not expected to be "first among equals." He must be perceived as the primary authority, projecting both wealth and paternal care. And it is essential that neither he nor his wife is seen cooking, cleaning, or doing similar tasks. That would undermine the image of authority expected in this cultural context.



Case No. 6

Indians follow a fundamentally different system of motivation. Once basic needs are met, the next step is a higher-order value – harmony. This mindset emphasises process over outcomes. As a result, motivation is driven not by KPIs, but by clearly assigned tasks and the precision with which they are executed under supervisory direction, and this is what compensation is based on. Creativity and entrepreneurial thinking are usually found only among the elite, rather than in middle management.

APPENDIX 2

Useful Resources: Where Russian Companies Can Turn

Website	Description
www.india.minpromtorg.gov.ru	Website of the Russian Trade Representation in India
www.exportcenter.ru	Website of the Russian Export Center (REC)
www.10times.com	Trade shows and events in India and worldwide
www.indiamart.com	Major B2B platform in India
www.tradeindia.com	Major B2B platform in India
www.cbic.gov.in	Central Board of Indirect Taxes and Customs for information on import duties
www.commerce.gov.in	Indian trade statistics (annual and quarterly) by HS code
www.zaubacorp.com	Company verification tool
www.bis.gov.in	Bureau of Indian Standards, official website
www.eprocure.gov.in	Government tenders and procurement portal

APPENDIX 3

List of Law Firms Recommended by the Russian Trade Representation

Ernst & Young Advisory Services

Tel: +91-124-4644000

Fax: +91-124-4644050

rajat.kathuria@in.ey.com

www.ey.com/india

Luthra & Luthra Law Officers

9th Floor Ashoka Estate, Barakhamba Road, New Delhi – 110001

Tel: +91-114-1215100

Fax: +91-112-3723909

delhi@luthra.com

or

Indiabulls Finance Center, Tower 2 Unit A2, 20th Floor,

Elphinstone Road, Senapati Bapat Marg Mumbai – 400 013

Tel: +91-226-630 3600, 4354 7000

Fax: +91-226-630 3700

mumbai@luthra.com

www.luthra.com

Pamasis Law Chambers Advocates & Solicitors

1/32, Jangpura Extention, New Delhi – 110014

Mob: +91-999-9288788

Fax: +91-114-1519238

Sameer.jain@pamasis.com

Global Juris Advocates & Solicitors

Tel: +91-112-3387987

Fax: +91-112-6513561

globaljuris@touchtelindia.net

PARAS KUHAD & Associates

Tel: +91-114-6562525, 46562727

Fax: +91-114-4562000

mnjha@paraskuhad.com

Foxmandal Little Solicitors & Advocates

Tel: +91-120-4305555, 3919555

Fax: +91-120-2542222

newdelhi@foxmandalittle.com

www.foxmandalittle.com

VAISH Associates & Advocates

Corporate, Tax and Business Advisory Law Firm

Tel: +91-114-2492525, 42492510

Fax: +91-112-3320484

awadhwa@vaishlaw.com

Lakshmikumaran and Sridharan

Corporate, Tax and Business Advisory Law Firm

www.lslaw.in

ProLEGAL UNIVERSAL, Advocates and Legal Advisors

Corporate, Tax, Litigation and Business Advisory Firm

C 58-C, Ashok Vihar 3, New Delhi – 110052

Mob: +91-989-9622340, +91-965-4463300

Contact person: Ajay Wadhwa, Advocate

K&G Consultants Pvt. Ltd. Advisory Law Firm

Mob: +91-989-9793985, +91-981-1531549, +91-966-3314766

maneshsenha@gmail.com

info@kngtrade.com

Contact person: Manesh Senha

MERCURY International Partner

Advisory Law Firm, consulting service for import/export companies

Headquarters in Zaragoza (Spain), local partner in China,

permanent office in India

9, Convent Garden (behind St. Joseph College)

Kangayam Road, Tiripur – 641604

Tel: +91-421-4250014, +91-421-4250015

Fax: +91-421-4250013

prakash@mercuryip.com

Corporate Professionals (India) Private Ltd.

D 28, South Extn. Part 1, New Delhi – 110049

Tel: +91-114-0622200

Fax: +91-114-0622201

arun@indiacp.com

info@indiacp.com

www.corporateprofessional.com

Contact person: Arun Gupta, Director

Parveen Sharma @ Associates

Parveen Sharma, Director

Tel: +91-981-0485123, +91-995-3207980

Parveensharma57@gmail.com

**MARS & Partners International Legal Consultants,
Advocates & IPR Attorneys**

geeta@marsandpartners.com

Contact person: Geeta Dalal

Kochhar & Co, Advocates & Legal Consultants

Suite 1120-21, 11th Floor, Tower A, DLF Towers, Jasola District Center,
New Delhi – 110025

Tel: +91-114-1115222

Fax: +91-114-0563813

rohit@kochhar.com

delhi@kochahar.com

Pinkerton, Consulting & Investigations (India) Pvt. Ltd.

Estel House, Plot 126, Sector 44, Gurgaon – 122002

Tel: +91-124-4645400 ext. 402

Fax: +91-124-4645444

Mob: +91-981-0440922

Bhawna.beri@ci-pinkerton.com

www.ci-pinkerton.com

Contact person: Bhawna Beri

Titus & Co., Advocates Titus House

R 77A, Greater Kailash-I, New Delhi – 110048

Tel: +91-112-6280100, 26470700, 26475800

Fax: +91-112-6480300, 26489950

Mob: +91-981-0001272, 991-0001272

titus@titusindia.com, titus@titus-india.com,

dtitus@titus-india.com, titusco@vsnl.com

N-South Advocates

C 62 B, 6th Floor, Super Mart-I,

DLF City-IV,

Gurgaon – 122009

Tel./fax: +91-124-4042521, +91-124-042522

Mob: +91-880-0662883

Pankaj.Uniyal@nsouthlaw.com

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Contact person: Pankaj Uniyal, Corporate Head Relations & Communication

LexCounsel, Law Offices

C 10, Gulmohar Park, New Delhi – 110049

Tel: +91-114-1662861

Fax: +91-114-1662862

info@lexcounsel.in

www.lexcounsel.in

Contact persons: Seema Jhingan and Dimpy Mohanty, Partners

Paras Kuhad & Associates, Advocates

903, Peninsula Towers, Peninsula Corporate Park, Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400013

Tel: +91-226-6695959 (30 Lines)

Fax: +91-226-6695999

pkamumbai@paraskuhad.com

or

A 238 & 239, Lower Ground Floor, Bhishm Pitamah Marg, Defence Colony,
New Delhi – 110024

Tel: +91-114-6562525, 46562727

Fax: +91-114-6562000

pkadelhi@paraskuhad.com

T&T LAW

R 89 Greater Kailash 1, New Delhi – 110048

Tel: +91-408-60000

Fax: +91-408-60020

Mob: +91-981-8825985

sayanhya.roy@tandtlaw.co.in

Contact person: Sayanhya Roy, Senior Associate

The Indian Lawyer Branches

1. E 452 Ground Floor, Greater Kailash-II, New Delhi – 110048
2. 89 Lawyers Chambers Supreme Court Compound, Supreme Court of India, New Delhi
3. 602 6th Floor Oval House, British Hotel Line (opp. Commerce House Fort), Mumbai – 400023
4. 102–103 Shiva's Residency, D. D. Colony, Hyderabad – 500013

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sushilaram@gmail.com

Contact person: Sushila Ram, Chief Legal Consultant & Advocate

TACT India Pvt Ltd.

Consulting, risk assessment, due diligence, recruitment and background checks, intellectual property protection; branches in Bangalore, Chennai, Hyderabad, Mumbai, and Kolkata

51 HARTRON, Electronic City, Sector 18, Udyog Vihar, Gurgaon – 122015

Tel: +91–124–4839560

Fax: +91–124–4839583

persis@tactindia.net

Contact person: Persis S. Ismael, General Manager – CVP & Business Development

ASC Solicitors & Advocates (Alok Sinha & Co.)

1 Birbal Road, 1st Floor, Jungpura Extension, New Delhi – 110014

Tel: +91–114–1643417, 41824349

Fax: +91–114–3104812, 24325938

admin@asclegal.com

monika@aloksinhaco.com

www.asclegal.com

www.bhartiyasociety.com

Company KP&S Associates

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New Delhi

Mob: +91–90–15070270

ceo@kpsa.net.in

Contact person: Pramod Rastogi

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- Tourism & Hospitality. Invest India. URL: <https://www.investindia.gov.in/sector/tourism-hospitality>



FROM THE
PERSONAL ARCHIVE OF
EVGENY GRIVA





Advertisement of lecture about doing of business in India for MGIMO.



Brief conversation with the Minister of Petroleum and Natural Gas, Mr. Puri.



Amazing Maldives.



Famous Delhi Pit.



Basketball tournament at the Embassy – adults vs. schoolboys.



My sons attended the basketball match between Russian and Indian schools.



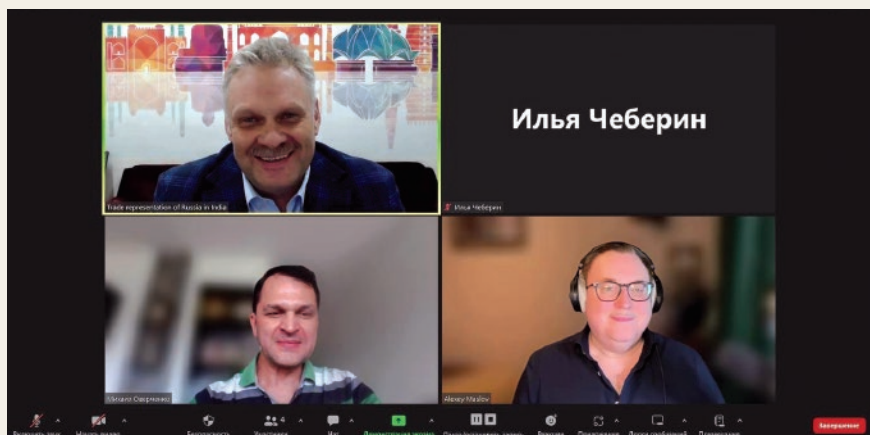
Famous jazzman and our family friend Igor Butman in Delhi.



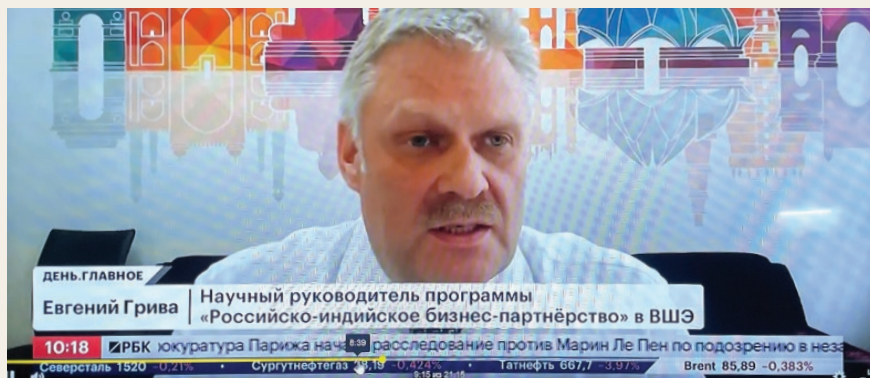
In Mumbai with my family and Mayur Bansode, my friend and MMA coach.



Live broadcast on Vesti FM with Ivan Starodubtsev about India.



Discussion about India with the esteemed Mr. Maslov.



RBC TV channel interview.



Deputy Prime Minister and Minister of Industry and Trade, Mr. Manturov, visited the Trade Commission during the Intergovernmental Commission.



Business Forum in Delhi.



At Hotel Leela.



At Radha Govind University with my friends Dr. Chaudhary and the Chairman of the University. PhD completed!



Lecture on Doing business in South Asia at the Financial University.



Lecture for business mission of Skolkovo about India.



Lecture at Sber University.



Indian Energy Week - with Deputy Minister of Energy, Mr Sorokin.



Meeting at the Government office with Mumbai office head Mamed Akhmedov.



Meeting at the Trade Commission with Fight Nights Chairman Kamil Gadjiev and the President of the MMA League of India, Mayur Bansode.



Meeting with Deputy CEO of Baltic Chemical Complex, Mr. Kolobov, at the Trade Commission office.



Meeting with members of the Russian Parliament in India.



Meeting with Mr. Hinduja, owner of the Hinduja Group – one of India's largest industrial companies.



Meeting at the Trade Commission office with the Governor of Novgorod Region, Mr. Nikitin.



Meeting with India's largest state-owned oil & gas company, Indian Oil Corporation, together with Russian Trade Commissioner Mr. Sobolev, IOC CEO Mr. Sahney, and my colleague Mr. Ukolov.



With my wife Victoria and Mr Darbari.



National Day of Russia - with my wife Victoria.



Masterclass with world boxing champion, Dmitry Kudryashov, along with my friend Raghu Nandan, my MMA coach and owner of the Russian-Indian Combat Gym.



At the largest petrochemical and chemical exhibition – CHEMTECH in Mumbai



At a conference with the Vice-Governor of Leningrad Region, Mr. Yalov, together with Mr. Gabitov and Mr. Goenka.



Online speech on Eastern Economic Forum.



At the reception with Mr. R.K. Tyagi, CEO of India's largest power grid company – Power Grid Corporation.



Textile Forum In Delhi.



Victory Day at the Russian Embassy.



Moscow Export Center Business Mission.



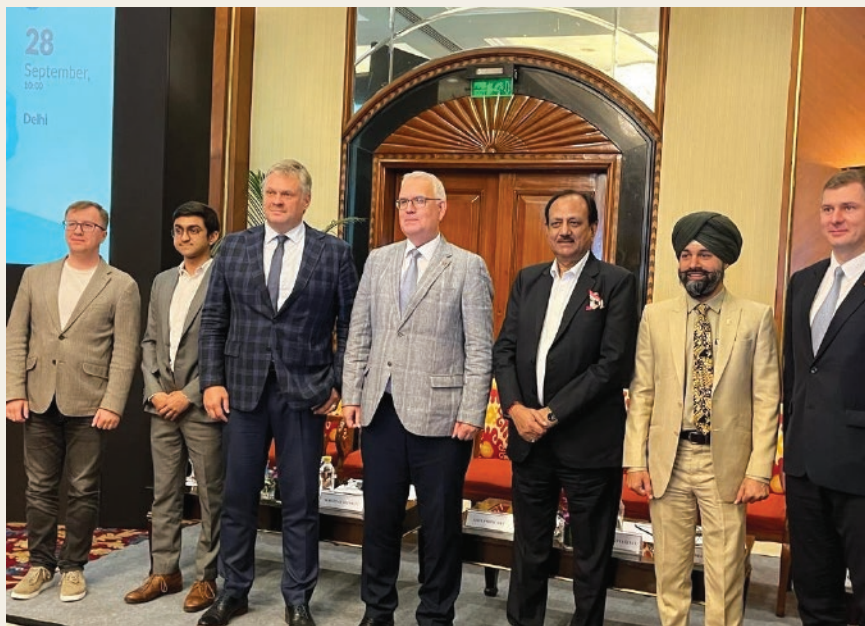
Meeting with the Governor of Perm region, Mr. Makhonin.



Speech about Russian and Indian Friendship.



With Mr Meswani, Executive Director and Member of Board of Directors of Reliance Group - biggest Indian private company.



Together with Vice-governor of Saint Petersburg Mr Knyagin and Indian businessmen.



Together with Anastasia Grineva - meeting with biggest oil & gas company ONGC.



Trade commission team at the Reception.



Traditional Lamp Lighting Ceremony.



With the Governor of Kerala and my friend and PhD mentor, Mr. Chaudhary, owner of the Shankara Group of Institutes.



We are hosting famous Igor Butman Jazz orchestra in India and presenting them with gifts.



Power Gen Conference.



With Mr Gaurav Gupta - chairman of GTTCI.



Meeting with my friend, former Minister of Commerce and Industry, Mr. Suresh Prabhu.



My sons graduated from the Embassy School in Delhi.



My son Alexander received his Embassy School Diploma.



My son Vladimir received his Embassy School Diploma in Delhi.



With my sons in Qutub Minar.



*Our friend Mr Vadim Eilenkrig,
famous Russian musician in Delhi.*



Taj Mahal.



Views of India.



Safari in Alwar.



With my wife Victoria in Delhi.



*Purina Qila - historical place
in Delhi.*



*Reception dedicated to the National
Day of Russia - with my wife Victoria.*



DOING BUSINESS IN INDIA

**PIONEERING EXPERIENCE
OF RUSSIAN COMPANIES**

**EVGENY GRIVA
PAVEL SELEZNEV**

WITH CONTRIBUTIONS FROM
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[illegible]

New Delhi
2025