

## A study of Indian Business History from Indus Valley Civilization to Present

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### Abstract:

India's business history is one of the oldest in the world, transitioning from ancient Indus Valley trade and indigenous merchant guilds to highly centralized global manufacturing under empires, before being disrupted by colonial rule and eventually reborn into a modern economic powerhouse.

India's business history is a remarkable journey spanning over five millennia, reflecting the evolution of commerce, entrepreneurship, trade, and industry from the ancient Indus Valley Civilization to the modern global economy. Ancient India emerged as a vibrant center of domestic and international trade, supported by sophisticated urban planning, flourishing handicrafts, maritime commerce, and extensive trade networks connecting Asia, Africa, and Europe. During the medieval period, India's thriving textile, spice, and metal industries attracted merchants from across the world, making the subcontinent one of the largest contributors to the global economy.

**Keywords:** Indus Valley Civilization, Cotton Textiles, Metallurgy, Guilds, Maritime Trade, Spices, Gold, Silk Route, Mughal Empire, International Commerce, Revenue System, British Raj, Industrial Revolution Impact, Deindustrialization, Railways, Economic Reforms, Liberalization, Privatization, Globalization (LPG), Foreign Direct Investment (FDI), Deregulation, Competition, Capital, Markets, Entrepreneurship, Digital & Global India (2000–2014), Information Technology, Outsourcing (BPO), Software Exports, Global Supply Chains, E-Commerce, Telecom Revolution, Retail Expansion, Innovation, Start-ups.

**Introduction:** Indus Valley Civilization (c. 3300–1700 BCE): The earliest form of organized business featured standardized weights, sea-faring trade with Mesopotamia, and agricultural surpluses driving specialized urban crafts. The Mauryan Empire (324–187 BCE): The Arthashastra laid out heavy state-led economic governance, fixing wages, and standardizing trade. Alongside the state, robust merchant guilds called Srenis managed capital, set market rules, and operated their own banking networks. Classical Era & Regional Kingdoms: The Gupta Empire and the maritime-focused Chola Dynasty flourished through the Indo-Roman maritime trade. Business was driven by communal networks e.g., the Chettiers) establishing global warehouses to export textiles and spices.

The colonial era marked a significant turning point as traditional industries declined under exploitative economic policies, transforming India from a leading manufacturing economy into a supplier of raw materials. Despite these challenges, indigenous entrepreneurs laid the foundation for modern Indian industry through the establishment of enterprises in textiles, steel, banking, shipping, and manufacturing.

Following independence in 1947, India adopted a mixed economic model characterized by state-led industrialization, import substitution, and public sector expansion. Economic liberalization in 1991 ushered in a new era of globalization, private enterprise, foreign investment, and technological innovation. Since then, India has emerged as one of the world's fastest-growing economies, with significant contributions from information technology, pharmaceuticals, financial services, manufacturing, digital commerce, start-ups, and the expanding faith economy.

Today, India's business landscape is driven by innovation, entrepreneurship, digital transformation, government initiatives such as Make in India, Digital India, and Startup India, and increasing integration with global value chains. As the country moves towards becoming a developed economy, its business history demonstrates remarkable resilience, adaptability, and an enduring entrepreneurial spirit rooted in centuries of commercial tradition. Understanding this historical evolution provides valuable insights into India's economic transformation and its growing role in shaping global business and sustainable development.

Period	Time Frame	Major Business Characteristics	Key Industries/Activities	Impact on India's Growth
Indus Valley Civilization	2600–1900 BCE	Organized urban economy, standardized weights and measures, international trade	Agriculture, pottery, textiles, metallurgy, trade with Mesopotamia	Established one of the world's earliest commercial civilizations
Vedic Period	1500–600 BCE	Agrarian economy with barter system evolving into coin-based trade	Agriculture, cattle rearing, handicrafts	Foundation of village-based economic system
Mahajanapada & Mauryan Period	600 BCE–185 BCE	State-regulated commerce, taxation, organized markets	Agriculture, mining, textiles, metallurgy	Strengthened internal and external trade networks
Gupta Period	320–550 CE	Prosperity through trade, merchant guilds, flourishing arts and crafts	Silk, cotton textiles, spices, jewellery	Considered the Golden Age of Indian commerce
Medieval Period	600–1526 CE	Expansion of domestic and overseas trade through ports	Textiles, spices, handicrafts, gems	India emerged as a global trading hub
Mughal Era	1526–1707	Large-scale manufacturing, flourishing handicrafts, extensive foreign trade	Cotton textiles, silk, carpets, metalwork	India contributed nearly 24% of world GDP in the early 18th century
British Colonial Period	1757–1947	Deindustrialization, export of raw materials, import of manufactured goods	Cotton, jute, tea, railways	Traditional industries declined; modern infrastructure introduced
Post-Independence Planned Economy	1947–1991	Mixed economy, public sector dominance, License Raj	Steel, heavy industries, banking, agriculture	Built industrial base but experienced modest economic growth
Economic Liberalization	1991–2000	Market reforms, privatization, globalization, FDI	IT, telecom, financial services, manufacturing	Accelerated GDP growth and global integration
Digital & Global Economy	2000–2014	Rise of IT services, outsourcing, entrepreneurship	Software, pharmaceuticals, automobiles	India became a major global service economy

<p><b>Startup &amp; Manufacturing Era</b></p>	<p>2014–Present</p>	<p>Digital India, Startup India, Make in India, PLI schemes, fintech expansion</p>	<p>Electronics, renewable energy, startups, e-commerce, AI, defence manufacturing</p>	<p>Higher innovation, manufacturing growth, increased foreign investment, and stronger digital economy</p>
<p><b>Vision 2047</b></p>	<p>Future</p>	<p>Developed economy driven by innovation, sustainability, advanced manufacturing, and digital technologies</p>	<p>Green energy, semiconductors, AI, biotechnology, space economy</p>	<p>Aspiration to become a developed nation with a USD 30–35 trillion economy and global business leadership</p>

**Source: Table creation by authors**

**Visionary Kingdoms:** Throughout Indian history, visionary kings expanded the subcontinent's business and economy by standardizing trade policies, building massive infrastructure, and forging global trade networks. Chola Dynasty under rulers like Rajaraja-I and Rajendra-I, the empire became

a global economic and trade powerhouse. Chola kings actively supported international merchant leagues, extending commerce to Southeast Asia, China, and the Middle East while integrating war loot into global import networks for luxury goods like camphor and sandalwood.

**The Mughal Empire:** Emperors like Akbar and Aurangzeb generated unprecedented wealth. They expanded business by centralizing the tax administration, standardizing weights and measures, and promoting internal commerce and foreign trade. By 1600, Mughal India represented about a quarter of the global GDP.

**The Maurya Empire:** Chandragupta Maurya and later Ashoka drove economic expansion by investing heavily in irrigation projects and agriculture. They empowered free trade guilds in manufacturing, producing a massive export industry that traded textiles, ivory, and silver to ancient Egypt and the West.

**The Maratha Empire:** Under the guidance of Chatrapati Shivaji, and later the Peshwas, the Marathas recognized the strategic importance of a coastline. They built strong naval fleets to protect trade routes, encouraged indigenous manufacturing, and developed extensive networks of banking and taxation across their sprawling territories.

The post-Mughal regional states supported merchant communities, relying on indigenous banking families (like the Marwaris) to mobilize capital, issue credit, and fund administrative and military operations.

**British Colonial Era:** India had to face disruption and transition East India Company Rule. The 18th and 19th centuries saw a shift from India being a global manufacturer to a supplier of raw materials. The British East India Company centralized power, disrupting traditional export markets and family firms, while introducing European-style joint-stock banking and managing agency systems. **Industrial Take-off:** By the late 19th and early 20th centuries, pioneering Indian entrepreneurs such as Jamshedji Tata founded modern industries, including the first steel and textile factories, navigating constraints set by colonial policies.

**India's historical prosperity:** was well-documented economic reality. For over 1,500 years from the 1st century until the 18th century, the Indian subcontinent was the world's leading economic power. According to extensive historical data by the late economist Angus Maddison, India commanded roughly 25% to 32% of the global GDP during this era. The "golden age" of India's pre-colonial wealth was driven by several key factors.

The philosophy of Indian businesses is deeply rooted in ancient ethos, combining wealth generation (Artha) with righteousness (Dharma). Rather than maximizing profit alone, indigenous management models from the Bhagavad Gita to Gandhian Trusteeship prioritize the welfare of all stakeholders, sustainable development, and treating work as a service to society.

**Global Trade Hub:** India was the manufacturing powerhouse of the ancient and medieval worlds. Its highly sought-after textiles, spices, and precious gems were heavily traded across land and maritime routes with Rome, Southeast Asia, and the Middle East.

**Favourable Trade Balance:** Because of immense international demand for Indian exports, the country consistently maintained a trade surplus, draining other empires like Roman Egypt of their gold reserves.

**Advanced Agriculture & Industry:** Flourishing metallurgy, mining, and organized agricultural production generated massive wealth for ruling empires, including the Gupta Empire, the Mughal Empire, and the Vijayanagar Empire. By the mid-18th century, the combination of internal political fragmentation and the deindustrialization of colonial rule severely reduced India's global economic standing.

**The first and oldest business house in India is the Wadia Group.** Founded in 1736 in Surat by Lovji Nusserwanjee Wadia, it started as a marine construction and shipbuilding enterprise for the British East India Company. The group has since diversified over nearly three centuries into a major conglomerate, operating iconic brands like Bombay Dyeing and Britannia. The Shipbuilding Legacy of the Wadia Group Lovji Nusserwanjee Wadia built India's first dry dock in Mumbai in 1750. The company constructed over 355 vessels for the British Royal Navy. The legacy includes historically significant achievements. HMS Minden was one of the Wadia-built ship where the US national anthem, "The Star-Spangled Banner," was written. HMS Trincomalee is one of the oldest surviving wooden war vessels afloat in the world today. Their ships outperformed British oak vessels due to superior Indian materials and engineering.

**The Shipbuilding Era (1736–1800s) Foundational Contracts:** Lovji Wadia secured contracts to build ships for the British East India Company. The Wadia family constructed over 355 ships, including the first ships for the British Navy built outside England.

**Asian Firsts:** In 1750, the Wadias built the Bombay Dry Dock, marking the first dry dock in Asia. The company expanded into Plantations (1863) The Bombay Burmah Trading Corporation Limited established in 1863 to trade teak, it is today the oldest publicly traded Indian company. Over time, it diversified into tea, coffee, medical products, and landscaping.

**The Rise of Bombay Dyeing (1879) Textile Pioneer:** The group established Bombay Dyeing in 1879, which eventually grew to become one of India's most renowned textile brands. It established the Wadia Group's deep roots in consumer retail.

**Entry into FMCG (1918) Acquiring Britannia:** The Wadia Group acquired Britannia Industries in 1918, which has since grown into one of India's premier food and beverage companies, producing widely consumed biscuits and dairy products.

**Modern Diversification (2005–Present) Aviation:** In 2005, the group entered the aviation sector by launching the low-cost carrier GoAir (later rebranded as Go First, which ceased operations in 2023).

**Real Estate and Chemicals:** The group established Bombay Realty in 2011 to handle mega-scale infrastructure projects, alongside chemical entities like National Peroxide Limited. Today, the conglomerate is chaired by Nusli Wadia, directing a diversified portfolio spanning fast-moving consumer goods (FMCG), textiles, real estate, and industrial chemicals.

**Tata Group:** Founded in 1868 by visionary Jamsetji Tata, the Tata Group is a massive global conglomerate. With a start-up capital of just ₹21,000, it transformed from a humble trading firm into India's premier industrial powerhouse, operating globally across over 100 countries and encompassing more than 30 publicly listed companies.

Jamsetji Tata recognized the industrial needs of a modernizing India and built the foundation of the group. He entered the textile segment. Established the Empress Mills in Nagpur in 1874. The group pioneered employee welfare initiatives decades before they were legally mandated. Jamsetji then entered hospitality. He opened the iconic Taj Mahal Palace & Tower in Mumbai in 1903, the first luxury hotel in India equipped with electricity. Later the company entered steel and power segment. Following Jamsetji's death in 1904, his son Sir Dorabji Tata established Tata Steel (TISCO) in 1907 and founded Western India's first hydroelectric plant, birthing Tata Power.

Under the leadership of J.R.D. Tata, the group spearheaded the modernization of India's interior and diversified into new sectors. Aviation: Launched Tata Air Services in 1932, which later became the national carrier, Air India. Automobiles: Established Tata Motors (formerly TELCO) in 1945 to manufacture engineering and locomotive products. Technology: Founded Tata Consultancy Services (TCS) in 1968, which grew to become the crown jewel of the group's software and services business.

Upon succeeding J.R.D., Ratan Tata aggressively expanded the conglomerate's footprint, transforming it into a multinational giant. The group purchased London-based Tetley Tea in 2000, followed by the Anglo-Dutch Corus Group in 2007, and iconic automotive brands Jaguar and Land Rover in 2008. Ratan Tata launched the Tata Nano in 2008, an engineering feat designed to provide safe and affordable four-wheeler transport to the masses.

Under the overarching stewardship of Tata Sons and leadership of N. Chandrasekaran, the group continues to consolidate and expand. The company completed the historical acquisition and privatization of Air India in 2022, bringing the airline back to the Tata fold. Tata group has also expanded in digital and retail reach. Actively expanding into modern digital spaces, electronics (such as Croma), and digital grocery platforms to maintain a stronghold on the modern consumer.

**Aditya Birla Group (1857):** The Aditya Birla Group is a massive Indian multinational conglomerate that originated as a small cotton trading business in Pilani, Rajasthan, in 1857. Over the past century and a half, it evolved under three generations of Birlas into a global corporate powerhouse operating in over 36 countries. Seth Shiv Narayan Birla started a cotton trading business in the desert town of Pilani, laying the initial foundations for what would become the House of Birla. His grandson, Ghanshyam Das Birla (G.D. Birla), expanded the family enterprise to jute, cotton, and textiles. G.D. Birla was also a close confidant of Mahatma Gandhi and played a pivotal role in the Indian freedom struggle, setting up critical industries to make pre-independence India self-reliant

Aditya Vikram Birla, grandson of G.D. Birla, took the company global. In 1969, he founded Indo-Thai Synthetics Company, launching the conglomerate's international expansion into Southeast Asia. Under his leadership, the group diversified aggressively into cement, metals, and textiles.

Following the untimely death of Aditya Vikram Birla in 1995, his son Kumar Mangalam Birla became chairman. Under his leadership, the group transformed through massive mergers and acquisitions. Key milestones include entering the cement sector (which was later renamed UltraTech Cement) and acquiring the aluminium producer Novelis in 2007.

The Aditya Birla Group is a global Indian multinational conglomerate that originated in 1857 as a humble cotton trading business in Pilani, Rajasthan, founded by Seth Shiv Narayan Birla. Today, it has evolved into a massive Fortune 500 company spanning over 40 countries, driven by acquisitions and global expansion.

**Godrej Group (1897):** Founded by Ardeshir Godrej, starting with locks and soaps. Founded in 1897 by Ardeshir Godrej and his brother Pirojsha, the Godrej Group originated as a pioneer of Swadeshi (indigenous) enterprise, manufacturing India's first locally-made locks to replace imported British varieties. Over the past century, it evolved from a modest lock-making firm into a multi-billion-dollar Indian conglomerate. The Godrej Group has successfully structured itself into several powerhouse business divisions: Godrej Enterprises Group (GEG): Houses the historical flagship company, Godrej and Boyce, which focuses on appliances, security solutions, aerospace, furniture, and tooling.

Godrej Industries Group (GIG): Includes Godrej Consumer Products (FMCG leaders in household insecticides and hair care), Godrej Properties (India's largest listed residential real estate developer), Godrej Agrovet

(agriculture and animal feed), and Godrej Capital (financial services). The group maintains its global presence from its headquarters in Mumbai, where the Godrej family historically established its main manufacturing base in Vikhroli, simultaneously becoming one of the largest private landowners in the city.

**The Bajaj Group:** The Bajaj Group was founded in 1926 by Jammalal Bajaj, starting as an industrial and trading enterprise. It later evolved into one of India's largest conglomerates. The flagship company, Bajaj Auto, was established in 1945. It transformed from a simple import business to a global two-wheeler and three-wheeler manufacturing giant.

**The Bajaj Group Foundations:** The roots of Bajaj trace back to 1905 when Bachhraj Bajaj opened a cotton ginning factory in Wardha, Maharashtra. In 1926, his adopted grandson, Jammalal Bajaj, officially established the business. Jammalal was a prominent freedom fighter and a close associate of Mahatma Gandhi, and his Gandhian values of "trusteeship" and community welfare continue to guide the group today. Over the decades, under the leadership of subsequent generations including Kamalnayan, Ramkrishna, and the iconic Rahul Bajaj the company diversified. The group expanded into steel, sugar, electricals, and most notably financial services.

**Bajaj Auto: From Importer to "The World's Favourite Indian"**1945: Founded as M/s Bachraj Trading Corporation, the company initially imported two- and three-wheelers into India. In 1959 Bajaj obtained a license from the Government of India and from Piaggio to manufacture Vespa scooters, bringing affordable mobility to the Indian middle class. In 1972 Launched the legendary Bajaj Chetak, a household scooter that became an enduring symbol of Indian mobility for decades.

1980s–1990: Signed a technical partnership with Japanese motorcycle brand Kawasaki in 1984, which paved the way for future performance-oriented motorcycles. In 2001 the company released the Bajaj Pulsar, a massive success that completely shifted the company's identity from a scooter manufacturer to a dominant, youth-focused motorcycle maker. In 2007 they entered an equity partnership with European brand KTM, later expanding into partnerships with Triumph Motorcycles.

In 2020s the company embraced electric mobility with the revival and electrification of the iconic Chetak. The Group today consists of over 40 companies with a massive global and domestic footprint.

**The Mahindra Group:** The Mahindra Group is a multinational conglomerate with a rich history spanning over 80 years. It was founded in October 1945 by brothers J.C. Mahindra and K.C. Mahindra, along with Malik Ghulam Muhammad, initially starting as a steel trading company before evolving into an automotive and global manufacturing powerhouse.

**Steel and Willys Jeeps:** The business began on October 2, 1945, in Ludhiana, Punjab, under the name "Mahindra & Mohammed". After India's independence, Malik Ghulam Muhammad relocated to Pakistan in 1948. Left with existing stationery, the Mahindra brothers renamed the company to Mahindra & Mahindra (M&M).

**Automotive Expansion:** In 1949, the company acquired a license to assemble Willys Jeeps. This pivot to manufacturing in Mazagon, Bombay, defined the company's reputation for rugged, practical vehicles well-suited to India's developing infrastructure.

**Entering Agriculture:** Recognizing the agrarian nature of the Indian economy, M&M entered the tractor market in 1961 by partnering with the US-based International Harvester. The company became very successful International Tractor Company of India (ITCI) eventually merged into M&M, creating a dedicated tractor division. By 1983, M&M became India's largest tractor manufacturer.

**Liberalization and Global Ambitions (1990s–2000s)Restructuring:** When India liberalized its economy in 1991, M&M took the opportunity to restructure and modernize. The company branched out into multiple strategic business units, including IT, financial services, and hospitality. The year 2000 marked a design evolution with the launch of the highly successful Mahindra Bolero, cementing its foothold in the utility vehicle (UV) market.

**Global Footprint:** Over the next decade, M&M expanded globally. In 2010, Mahindra achieved the status of being the world's largest tractor brand by volume. In the recent years (2010s–Present) Acquisitions and Expansion have expanded the company's operations under the long-standing leadership of Anand Mahindra, the group has grown into a \$23 billion federation of companies. It broadened its reach through strategic

acquisitions, including South Korea's SsangYong Motor which was later divested and the 2010 purchase of Punjab Tractors Limited (PTL). The company has entered tech and aerospace segment. The group launched Tech Mahindra to spearhead IT services and expanded into sectors spanning from aerospace and real estate to renewable energy and logistics. Mahindra's electric vehicles remains a leader in both the SUV and agricultural sectors while aggressively pushing for carbon neutrality and advanced electric vehicle (EV).

**Reliance Industries Ltd:** Founded by Dhirubhai Ambani as a small textile trading firm in 1966, Reliance Industries Limited (RIL) has grown into India's largest private sector corporation with over \$120 billion in annual revenue. Dhirubhai Ambani started his business empire by launching the Reliance Commercial Corporation in 1958 in Mumbai, dealing in the export of spices and import of polyester yarn with just ₹15,000 in capital. He revolutionized his operations in 1966 by transitioning from trading to manufacturing, establishing a textile mill in Naroda, Gujarat, which birthed the legendary "Vimal" fabric brand.

He returned to Mumbai (then Bombay) and started a trading partnership with his cousin, Champaklal Damani. Operating out of a small, 350-square-foot office in Masjid Bunder, their firm exported spices to Yemen and imported polyester yarn into India.

To fund his massive backward integration and diversification into petrochemicals, he took Reliance public in 1977. He pioneered the concept of equity investment among everyday Indians, turning millions of middle-class citizens into shareholders and building a financial base that fuelled Reliance's exponential growth into oil, energy, and telecommunications.

Dhirubhai Ambani pioneered India's "equity cult" by democratizing the stock market in the 1970s and 1980s. By taking Reliance Industries public in 1977, he bypassed elite institutional control, drawing hundreds of thousands of ordinary middle-class citizens into the capital markets and generating unprecedented retail wealth. When Reliance Textile Industries launched its Initial Public Offering (IPO) in 1977, the Indian stock market was largely dominated by a closed circle of wealthy urban elites. Ambani convinced roughly 58,000 first-time retail investors, including teachers, clerks, and shopkeepers, to invest their hard-earned money. Ambani introduced Indian investors to sophisticated financial vehicles, most notably the partly and fully convertible debenture. These instruments offered fixed interest initially and later converted into equity at a premium, providing investors with reliable income and massive capital appreciation.

Realizing the massive demand for synthetic textiles, he built his first textile factory in Naroda, Ahmedabad. He bypassed traditional wholesalers, selling directly to retailers, and launched the "Vimal" brand, making quality, affordable polyester accessible to the Indian middle class.

Today the business is led by Mukesh Ambani, the conglomerate operates across energy, petrochemicals, retail, telecommunications, and new energy. The history of the Reliance Group is defined by continuous expansion and major milestones across several distinct phases.

South India is home to a powerhouse of diverse industries, ranging from IT and automotive to traditional FMCG and global SaaS. Leading companies headquartered in this region—particularly in cities like Chennai, Bengaluru, and Hyderabad have grown into national and global market leaders.

**Infosys:** Founding: Infosys was incorporated on July 2, 1981, as Infosys Consultants Private Limited in Pune by N. R. Narayana Murthy and six co-founders; Nandan Nilekani, Kris Gopalakrishnan, S. D. Shibulal, K. Dinesh, N. S. Raghavan, and Ashok Arora. In 1983, the company moved its headquarters to Bengaluru, which would go on to become India's primary IT hub. The company opened its first international office in Boston, USA, in 1987.

The company launched its Initial Public Offering (IPO) in India in 1993. Despite being undersubscribed, it was bailed out by Morgan Stanley, which acquired a 13% stake. Infosys pioneered ESOP. Infosys launched an Employee Stock Option Programme (ESOP), creating some of India's first salaried millionaires and fostering widespread employee loyalty. In 1999, it became the first Indian company to be listed on the NASDAQ as American Depositary Receipts (ADR).

Infosys is currently navigating a period of macroeconomic pressure and industry-wide shifts in discretionary technology spending. While facing stock price corrections and cautious client budgets, the company is

aggressively expanding its AI-led managed services and generative AI collaborations to drive future enterprise transformations.

**ITC:** Established in 1910 as the Imperial Tobacco Company of India, ITC began as a cigarette manufacturer. Today, it is one of India's largest multi-business conglomerates. Through aggressive diversification, it has evolved into a powerhouse spanning FMCG, hospitality, paperboards, agribusiness, and IT. The company was established as the Imperial Tobacco Company of India Limited. 1970. It got renamed to the India Tobacco Company Limited. In 1974 it got rechristened as I.T.C. Limited to broaden its corporate identity beyond tobacco. In 2001 it officially simplified to ITC Limited, with "ITC" no longer functioning as an acronym.

Today, the enterprise operates across 5 key segments: FMCG -a diverse portfolio of foods, personal care, and stationery. Hotels - a chain of luxury and premium hotels operating under brands like ITC Hotels and Welcomhotel. Paperboards and packaging it's the country's largest eco-friendly paper and paperboards business. ITC deals into agri-business too. India's foremost integrated agri-business enterprise. The company has strong presence into IT Services. ITC's e-Choupal is an innovative digital and physical supply-chain initiative launched in 2000. It connects rural Indian farmers directly with markets via internet kiosks and a super app, providing localized weather, price discovery, and quality-based pricing to eliminate inefficiencies and boost farm productivity. Global technology solutions managed by ITC Infotech. Led by Chairman Sanjiv Puri, ITC continues to ground its corporate philosophy in "Responsible Capitalism", balancing shareholder value with extensive environmental and social initiatives.

**The Murugappa Group:** is a major Indian conglomerate founded in 1900 by A. M. Murugappa Chettiar. Headquartered in Chennai, it spans over 28 businesses across agri-solutions, engineering, and financial services. With a net worth exceeding ₹85,000 crore, the group manages several listed firms, including Coromandel International and Cholamandalam Investment and Finance.

The group began in 1900 when Dewan Bahadur A. M. Murugappa Chettiar established a money-lending and banking enterprise in Moulmein, Burma (now Myanmar). Over the next few decades, the business expanded across Southeast Asia, gaining interests in rubber plantations and trade in Malaya (Malaysia), Ceylon (Sri Lanka), and Vietnam. Anticipating the geopolitical turmoil of World War II, the family made the strategic decision to shift their wealth and operations back to India. In the mid-1930s, the group transitioned from purely banking and trading into manufacturing, investing in steel and emery paper. Emery paper is a specialized abrasive sheet used to smooth, polish, or remove rust from metals and hard surfaces. Unlike traditional sandpaper for wood, emery paper typically uses flexible cloth or heavy paper backing coated with crushed emery (a natural mix of corundum and magnetite) or synthetic aluminium oxide.

In 1981, the group expanded aggressively by acquiring and turning around major historical firms like E.I.D. Parry, pushing the group deep into sugar and fertilizers. The group expanded its footprint into financial services via Cholamandalam Finance and general insurance. It also broadened its global reach through acquisitions in regions like Africa and Sri Lanka. Today, the group is an INR 90,000+ Crore enterprise comprised of nearly two dozen businesses. It is celebrated for its corporate governance and a clinical, investment-oriented approach to buying, restructuring, or exiting businesses.



**The Present Business Scenario in India:** India is undergoing a significant economic transformation. As per capita income rises alongside GDP growth, the country is approaching the US\$3,000 per capita income

threshold, widely regarded as a critical consumption inflection point. Countries that have crossed this benchmark have historically experienced a surge in consumer spending and rapid expansion of domestic markets. China, for example, witnessed a similar transformation after its per capita income crossed US\$2,000 during the mid-2000s, resulting in accelerated economic growth and rising consumption.

According to the International Monetary Fund (World Economic Outlook, October 2022), India's per capita income is projected to grow at approximately 5.4 percent annually, increasing from US\$2,274 in 2021 (World Bank) to more than US\$3,000 by 2027. This milestone is expected to strengthen India's position as one of the world's fastest-growing consumer markets.

A distinctive feature of India's business environment is the contrast between domestic enterprises and foreign multinational corporations (MNCs). Indian businesses are deeply rooted in relationship-building, affordability, flexibility, and regional adaptability. They are well equipped to navigate India's diverse linguistic, cultural, and regulatory landscape through agile decision-making and localized strategies. In contrast, foreign MNCs generally operate through standardized corporate structures, globally consistent processes, and formal governance systems. While these practices promote operational efficiency and quality standards, they may sometimes reduce responsiveness to rapidly changing local market conditions.

The difference is also evident in organizational culture. Indian companies generally exhibit hierarchical yet flexible management structures, where strategic decisions are concentrated among senior leadership and interpersonal relationships play a significant role in business operations. Foreign firms, on the other hand, emphasize process orientation, transparency, and standardized operating procedures. Such systems often promote better work-life balance and operational discipline but may occasionally limit organizational agility.

Consumer behaviour further differentiates the Indian market. Indian consumers are highly value-conscious, encouraging domestic firms to deliver products that combine quality with affordability. This "value-for-money" philosophy has led Indian companies to develop highly localized supply chains, cost-efficient manufacturing systems, and innovative pricing models. Foreign companies often enter the market with premium pricing strategies and standardized product offerings that are successful in developed economies but require considerable localization to succeed in India's price-sensitive market.

India's contemporary business landscape is characterized by rapid structural transformation. The services sector continues to be the principal engine of economic growth and is projected to reach US\$465–475 billion in value. Supported by sustained GDP growth, India has emerged as the third-largest start-up ecosystem globally, fostering innovation across sectors such as fintech, health technology, education technology, artificial intelligence, logistics, and digital commerce. Government initiatives including Digital India, Startup India, Make in India, and Skill India have significantly strengthened the entrepreneurial ecosystem while enhancing India's competitiveness in global markets.

The country's economic strategy is built upon four interrelated pillars: Infrastructure Development, Digital Transformation, Manufacturing through Production-Linked Incentive (PLI) Schemes, and Inclusive Growth.

**Infrastructure Development:** Massive investments by both the public and private sectors are modernizing India's physical infrastructure. Expansion of the national highway network, modernization of railways, development of dedicated freight corridors, port-led development under the Sagarmala Programme, and airport expansion through the UDAN scheme are improving connectivity and reducing logistics costs. Simultaneously, Smart Cities and urban development initiatives are transforming Tier-2 and Tier-3 cities into emerging business and manufacturing hubs, thereby decentralizing economic growth.

**Digital Transformation:** India's Digital Public Infrastructure (DPI) has become one of the country's greatest competitive advantages. The Unified Payments Interface (UPI) has revolutionized digital payments by enabling real-time, secure, and low-cost financial transactions, thereby accelerating the growth of e-commerce, fintech, and digital entrepreneurship. Similarly, Aadhaar, the world's largest biometric identity system, has simplified customer onboarding, digital Know Your Customer (KYC) verification, and direct benefit transfers, significantly improving financial inclusion and governance efficiency. These digital platforms have lowered entry barriers for businesses while enabling millions of citizens to participate in the formal economy.

Overall, India is steadily transitioning from a developing economy into a globally competitive economic powerhouse. Rising incomes, demographic advantages, expanding digital infrastructure, robust manufacturing initiatives, and increasing global integration position the country for sustained long-term growth. As consumption expands and innovation accelerates, India is expected to play an increasingly influential role in shaping the global business landscape during the coming decades.

**Inclusive Growth and Innovation:** Sustainable economic development requires balanced regional growth by bringing Tier-2 and Tier-3 cities into the mainstream of industrial development while nurturing innovation-led entrepreneurship. Micro, Small and Medium Enterprises (MSMEs) remain the backbone of the Indian economy, generating employment, promoting local manufacturing, and supporting regional development. Government initiatives are encouraging deep-tech innovation, green energy, digital transformation, and rural entrepreneurship, thereby fostering a more inclusive and resilient manufacturing ecosystem.

The Indian manufacturing sector has steadily emerged as a major pillar of economic growth, contributing nearly 17% of India's GDP. India's vibrant entrepreneurial ecosystem is also expanding rapidly. The number of recognised start-ups increased by 51.6% year-on-year in FY 2025–26 compared with FY 2024–25, while direct employment generated by these start-ups grew by 36.1% during the same period.

The National Mission on Manufacturing (NMM), announced in the Union Budget 2025–26, represents a significant milestone in India's industrial strategy. Alongside flagship initiatives such as Make in India and the PLI Scheme, the mission aims to increase manufacturing's contribution to GDP to 25% by 2035, create approximately 143 million jobs, and expand merchandise exports to Rs. 106.05 lakh crore (US\$ 1.20 trillion) through deeper integration with global value chains.

**Technology-Driven Manufacturing:** Technology is transforming Indian manufacturing from a traditional, machine tool-based industry into a digitally enabled, automated, and intelligent production ecosystem. Automation, artificial intelligence, robotics, Industry 4.0 technologies, and data-driven manufacturing processes are improving productivity, operational efficiency, and product quality. Digital transformation is also strengthening India's competitiveness in international markets by enabling manufacturers to respond more quickly to changing global demand.

The sector's strong momentum is reflected in the Purchasing Managers' Index (PMI), which stood at 55.4 in January 2026, comfortably above its long-term average. This indicates sustained expansion in manufacturing activity, supported by robust domestic demand, rising output, increased purchasing activity, easing input cost inflation, and continued employment growth, reinforced by optimism surrounding Gated reforms.

**Expanding India's Role in Global Value Chains:** India is increasingly positioning itself as a strategic participant in specialised global value chains. The country has the potential to meet 10% of global wind energy component demand by 2030, reflecting its growing capabilities in renewable energy manufacturing.

The electronics sector represents one of India's most significant success stories. Domestic value addition has increased from 30% to 70% and is expected to reach 90% by FY 2026–27, demonstrating the country's transition from an assembly-based manufacturing model to a high-value component manufacturing hub.

**Conclusion:** India's business journey reflects a remarkable transformation from an agrarian and traditional economy to one of the world's fastest-growing and most dynamic economic powers. Over centuries, Indian commerce has evolved through ancient trade networks, the colonial era, post-independence industrialization, economic liberalization in 1991, and the current age of globalization, digitalization, and innovation. Each phase has contributed to shaping a resilient and diversified business ecosystem.

This transformation is evident in global supply chains. During FY 2025–26, Apple's India-based suppliers exported electronic components worth Rs. 22,094 crores (US\$ 2.50 billion) to China, with exports projected to reach Rs. 30,931 crores (US\$ 3.50 billion) by the end of the financial year. This remarkable shift illustrates India's emergence as a trusted supplier of sophisticated electronic components rather than merely a destination for final product assembly.

Looking ahead, India's demographic advantage, entrepreneurial spirit, technological capabilities, expanding digital infrastructure, and integration into global value chains provide immense opportunities for sustained growth. With sound economic policies, investment in human capital, and continued reforms, India is well positioned to emerge as one of the leading economic powers of the twenty-first century. The story of India's business progress is not merely one of economic expansion but also of resilience, adaptability, innovation, and the aspirations of over a billion people striving toward prosperity and global leadership.

Production-Linked Incentive (PLI) scheme further highlights India's growing export competitiveness. During the year, India produced iPhones worth Rs. 6.19 lakh crore (US\$ 70 billion), of which Rs. 4.51 lakh crore (US\$ 51 billion) approximately 73% of total production were exported. These achievements underscore India's expanding role as a global manufacturing and export hub, supported by policy reforms, technological advancement, and deeper integration into international supply chains.

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