

New IFI programs for India are often being introduced. To obtain up to date information and learn about the terms of various programs companies should contact IFIs directly. Details on Indian offices for several IFIs are contained in the contacts appendix.

## 6.5 Minimizing Market Risk

Embarking on a new venture in a country like India naturally carries business risks. A Canadian environmental company puts its reputation, staff time and financial resources on the line when it enters a new market. How can various risks be off set?

<u>Risk</u>	<u>Risk Management Strategy</u>
Gaps in Market Intelligence	Diligently follow the market intelligence gathering and analysis process suggested. Don't scrimp on information expenditures.
Finding the Right Partner	The more sensitivity that is exhibited to cultural differences in India, the greater the chance of cementing a partnership arrangement. Be flexible rather than legalistic.
Negotiating the Fair Deal	Seek sound legal and tax advise before and during the negotiation of an agreement. Tie down the income and capital gains splits on opportunities and projects that are known, and leave other arrangements more open. Utilize tax domiciles and other corporate arrangements where appropriate.
Minimizing Financial Exposure	Leverage any investment of your time or money with rupees from your partners. India is a country of considerable wealth. Use ODA financing to support initial market explorations. For project and equity financing, approach one of the several hundred foreign investors who have targeted India.
In the Event of a Problem	Ensure Indian and Canadian government authorities are fully aware of your business dealings. Place capital and human resources in tranches rather than in one go. Use mediation agents and the courts, if they are fair.