

PERSPECTIVE

Localisation is a supplier story

Why making in India is measured by who supplies the factory, not by the factory

Technology does not arrive in a box, and a factory does not make a product Indian. A licence gives the right to make something. Capability is the ability to make it well, at the right cost, every time. India's incentives, from Production Linked Incentive (PLI) schemes to the electronics components manufacturing scheme of INR 40,000 crore (USD 4.8Bn), pay for plants. The less obvious truth is that the real work, and the real value, sits one level down: in the suppliers who make the parts.

INR 40,000 cr

electronics components scheme (USD 4.8Bn)

14

sectors covered by PLI schemes

Four capabilities to build

- **People.** Engineers trained at the source plant, and a core team that stays.
- **Quality systems.** Process control, testing and certification to the partner's standard and to India's, such as Standardisation Testing and Quality Certification (STQC) where it applies.
- **A supplier base.** Qualified local suppliers for parts. Start with simple parts and move up. This is usually the longest step, and the one that decides how much value stays in India.
- **Design and engineering.** First adapt the product to Indian conditions. Later, own variants and improvements.

Sequence matters

Assemble before you make. Make parts before you design. Own the design last. Skipping steps produces a factory that depends on imports for ever. Measure localisation by value added in India, not by the label on the box.

What the technology partner must give

Training, documentation, tooling, workable IP terms and patience. In return the partner gets a manufacturing base inside India's rules, a share of a fast-growing market, and a local supplier network that is hard for others to copy.

WHAT WE DO

We structure technology transfer with capability milestones written into the agreement, so each step of localisation has a test, an owner and a date. We build the supply chain alongside the plant, and stay until production runs in India.

Own what you can. Partner for the rest.

Sources: Government of India PLI scheme announcements (14 sectors; PTI, July 2025); The Guild Co. analysis. USD figures at approximate exchange rates.