BOOK 01

India Entry Playbook

For UK & EU manufacturers

FREE GUIDE

For SME owners and decision makers

Shelton Julius
Founder and Director, Frugal Sourcing

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India Entry Playbook

For UK and EU manufacturers: how to choose your route to market, find customers and partners, and avoid the costly mistakes in your first 12 months in India.

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A note from the author

I wrote this playbook for the owner or director of a manufacturing business who keeps hearing that India is the opportunity of the decade and wants a straight answer on what to do about it.

My working life is spent between the UK, continental Europe and India, helping companies enter the market, find partners and suppliers, and localise products that were designed for European factories. I have sat on both sides of the table: with European leadership teams deciding how much to commit, and on Indian shop floors working out how to make a part to a European drawing at an Indian cost.

What I have learned is that India is rarely lost on strategy. It is lost on a handful of practical decisions made early and in a hurry: the wrong route, the wrong partner, the wrong price, nobody on the ground. This guide walks through those decisions in the order you will meet them.

Who this is for

- Owners, managing directors and commercial or operations directors of manufacturing SMEs anywhere in the UK, Ireland or the European Union.
- Companies considering India as a market, a supply base, or both.
- Companies already in India through a distributor or partner and unsure why it is not growing.

How to use it

Each of the ten sections stands alone and ends with something to do. If you are short of time, read Sections 2, 3 and 9, then use Section 10 to build your plan. Boxes marked in colour are the points I would underline if we were talking in person.

Important notice

Please read this notice before relying on anything in this guide.

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01

Why India, and why now

The honest case for India, the reasons to wait, and the three questions that tell you which side of the line you are on.

In this section

- Three reasons manufacturers go
- What has changed
- When to wait
- Sell, source or both?
- Where the demand is in transport and engineering
- Worked example: a European seat manufacturer
- **Worksheet 1: Our India opportunity on one page**
- Questions to ask your own board
- How India works: India is many Indias
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 1 in one page

Most owners I speak to already believe India matters. What they doubt is whether it matters for them, this year, with the people and cash they have. That is the right doubt to have, so this section starts there.

1.4bn+	**2 deals**	**22**
people: the world's largest population	UK agreement in force; EU agreement concluded	official languages, with English for business

Three reasons manufacturers go

- **A market.** India is building roads, metros, railways, bus fleets, factories, hospitals and homes at a pace Europe has not seen for two generations. If you make something that goes into that build-out, your customer is there whether you are or not.

- **A supply base.** India has deep capability in castings, forgings, machining, fabrication, wiring, plastics, composites and electronics assembly. Used well, it lowers your landed cost and gives you a second source outside your current region.
- **A base for the region.** A plant or partner in India can serve the Middle East, Africa and South East Asia at a cost that a UK or European plant cannot match.

The best entries I have seen use two of the three. A company that only sells into India is exposed to price pressure. A company that only buys from India misses the customer on its doorstep. Selling and sourcing together gives you a local cost base to win local business.

What has changed

Trade policy has moved in your favour, whichever side of the Channel you sit on. For UK companies, the UK–India Comprehensive Economic and Trade Agreement came into force on 15 July 2026, and tariffs on many goods are being cut or removed in stages. For companies in the EU, the EU and India concluded their free trade agreement in January 2026; at the time of writing it is expected to be signed in December 2026 and is not yet in force, so EU exporters should plan on current duty rates and treat the agreement as upside. Neither deal sells your product for you, and both come with rules of origin you must meet to claim the lower duty. What they do is remove one of the oldest objections in the boardroom. Check the current position for your own country and product code before you build it into a business case.

At the same time Indian customers are asking for more. Safety, emissions, accessibility and comfort standards are rising, and Indian OEMs who export need suppliers whose products already meet European norms. That is a door that was closed ten years ago.

> ***"The best entries use India twice: as a customer and as a cost base."***

When to wait

- Your home business is unstable. India will take management time for at least a year before it pays anything back.
- Your product only works at a European price and you are not willing to redesign or localise any of it.
- Nobody senior will own it. India entry run as a side task by an export clerk fails quietly.
- You need profit from India inside twelve months to justify the spend.

THREE QUESTIONS TO ANSWER BEFORE YOU READ ON

1. Are we going to India to sell, to source, or both? 2. Who in our business will own this, and how many days a month can they give it? 3. What would success look like at 12 months and at 36 months, in numbers we would be willing to show the board?

I came to this work from the buying side. I have spent more than 25 years in manufacturing, over 22 of them on buses and bus sub-systems, working with OEMs and suppliers in India, the UK and Europe. For years my job was to take a product designed for a European factory and find a way to make it in India at a cost the market would pay, without losing anything that mattered.

The project that taught me the most was a European seating system for Indian buses and trains. On paper it was a localisation exercise. In practice it was a lesson in sequence: understand the customer first, then the cost, then the supplier. We ended up making the whole system in India, and the business grew from €400,000 to €2.8 million in two years. Nothing about it was clever. It was ordinary decisions taken in the right order.

Going deeper: sell, source or both?

The answer shapes everything that follows, so it is worth an honest hour. Selling into India asks for patience, a localised offer and people on the ground. Sourcing from India asks for engineering discipline, supplier development and stock in the pipeline. Doing both asks for more management time at the start, and repays it, because each side makes the other easier.

Which starting point suits you?

Vertical: strength of your product fit. Horizontal: size of your price gap.

High	**Sell first, localise fast**	**Sell and source together**
Low	Learn before committing	Source first, sell later
	Hard	Easy

- **If you sell first,** you learn the customer and the price band. Use that knowledge to decide what must be localised.
- **If you source first,** you build suppliers, a cost base and local credibility. Indian customers take you more seriously when you already manufacture there.
- **If you do both,** start with one customer and one part family. Breadth comes later.

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Going deeper: where the demand is in transport and engineering

My own work is in buses, rail and commercial vehicles, so I will use that as the example. City and state operators are renewing and electrifying fleets. Metro and rail networks are expanding. Vehicle builders are opening new plants and looking for suppliers of interiors, thermal systems, doors, electronics and composites who can meet both Indian cost and export-market standards. On a 2026 visit, several builders we met were planning capacity at a multiple of what they make today. The same pattern, a domestic build-out plus export ambition, runs through construction equipment, energy, medical devices and industrial machinery.

The practical question is not whether demand exists. It is whether a customer in that demand has a problem your product solves better than what they can already buy locally.

= Worked example: a European seat manufacturer

An illustrative European manufacturer makes complete passenger and coach seats for bus and rail builders. It scores itself: strong product fit, large price gap. It decides to do both, in sequence. In year one it localises the frame, the cushion and the trim, which carry most of the weight and most of the labour, with contract manufacturers near its target customer. It keeps the recliner mechanism and the safety-critical parts at home and ships them as a kit. It assembles and sells the complete seat under its own brand. The price gap narrows because most of the weight is now made locally, and the customer gets a rupee invoice.

Nothing here is exotic. The decision was simply made in the right order: customer, price gap, what to keep, what to localise.

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✎ Worksheet 1: Our India opportunity on one page

Complete this with your leadership team before any other step. Print or photocopy this page.

Question	Our answer
Are we going to sell, to source, or both? Why?	
Our three most suitable products	
Three customers we would most like to win	
Who owns India, and how many days a month?	
What success looks like at 12 months	
What success looks like at 36 months	
Our biggest reason to wait, and what would remove it	

? Questions to ask your own board

1. Why India, and why now, for our company specifically?
2. What will we stop doing to make time for this?
3. Who is the named owner, and who is their backup?
4. How much are we prepared to invest before we see revenue?
5. What evidence at month six would make us stop?
6. Which parts of our product would we never make outside our own plant?
7. Do any of our existing customers already operate in India?
8. What would our strongest competitor do if they went first?

! Common objections

What you may hear	A straight answer
"India is too complicated for a company our size."	It is complicated if you try to do everything. One customer, one part family and one trusted person on the ground is a manageable project.
"We will go when the trade deal is fully in place."	Trade agreements reduce one cost. They do not build relationships or qualify suppliers. Companies that start now will be established when the tariff cuts mature.
"Our product is too advanced for the Indian market."	Parts of the market are asking for exactly that, especially builders who export. The work is to find that layer and to offer a version the mainstream can afford.

IN HOW INDIA WORKS: INDIA IS MANY INDIAS

India is closer to a continent than a country. Language, food, working style and even business pace change from state to state.

- The north, the west and the south each have their own industrial character. On a 2026 visit, a UK managing director travelling with me found the southern city noticeably calmer and more orderly than the capital.
- A reference customer in one region does not automatically carry weight in another. Build proof region by region.
- Ask every contact where they are from and where they have worked. It is polite, and it tells you how far their network reaches.

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Myth and fact

MYTH India is one big market.

FACT It is many markets, divided by state, language, price layer and customer type. Choose one layer and one region to start.

TIP OF THE DAY Before your first trip, write down the one decision you want to be able to make when you get home.

Your action tasks

- Write one paragraph answering: are we going to India to sell, to source, or both?
- Name the senior owner for India and agree how many days a month they will give it.
- List the three products in your range most likely to fit Indian demand.
- Put India on the agenda of your next board meeting with a 12-month and a 36-month success measure.

FUN FACTS

- India became the world's most populous country in 2023, according to United Nations estimates.
- On a 2026 visit I made with a UK managing director, one bus builder we met had an order book nearly three times its current annual output.

Section 1 in one page

- Decide whether you are going to sell, source or both.
- The strongest entries combine a customer and a local cost base.
- Trade agreements help. They do not do the work for you.
- Wait if the home business is unstable or nobody senior will own it.
- Put a 12-month and a 36-month measure in front of the board.

The strongest entries combine two of the three reasons to go: a market, a supply base, a regional base.

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02
The India readiness check

A plain self-assessment of product, price, people, cash and patience, so you start with open eyes.

In this section

- How to score it
- The two rows that decide most outcomes
- The price gap
- Preparing the technical file
- Worked example: sizing a price gap
- **Worksheet 2: Readiness scorecard**
- Questions to ask your leadership team
- How India works: Relationship comes before transaction
- How India works: English is the language of business
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 2 in one page

Before you spend on flights, lawyers or exhibitions, score your own business. The companies that struggle in India are rarely the ones with a weak product. They are the ones that never asked whether the business behind the product was ready.

Your readiness score out of 14

0 to 6	7 to 10	11 to 14
Prepare first	Go, fix the zeros	Go

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Area	The question	Ready looks like	Not yet looks like
Product fit	Does it solve a problem Indian customers pay to solve?	You can name the customer segment and the standard or pain that drives demand	“Everyone needs this”
Price position	Can you reach a price the market will bear?	You know the local price band and have a plan to get within reach of it	You plan to sell at the European price plus freight and duty
Technical file	Are drawings, specs and test reports in order?	Controlled drawings, a bill of materials and test evidence you can share under NDA	Knowledge sits in people's heads
People	Who owns India?	A named senior owner with time, and a backup	“We will see who is free”
Cash	Can you fund 18 to 24 months?	A ring-fenced budget the board has agreed	Funding trip by trip
IP	Is what matters protected?	Trade marks filed in India, key know-how identified and split	No filings, everything in one drawing pack
Patience	Will the board hold its nerve?	Agreed milestones that are not only revenue	Monthly sales targets from month three

How to score it

Give each row a 0, 1 or 2. Zero means not yet, one means partly, two means ready. Out of 14:

- **11 to 14.** Go. Move to route selection in Section 3.
- **7 to 10.** Go, but fix the zeros first. They are usually price position and people.
- **Under 7.** Use the next six months to prepare. A cheap learning step, such as visiting one trade show and holding ten customer conversations, will lift your score faster than any report.

> ***“Indian buyers are not cheap. They are exact.”***

The two rows that decide most outcomes

Price position. Indian buyers are not cheap. They are exact. They will pay for value they can measure, and they will ask you to remove everything they cannot. If your offer cannot flex on specification, content or where it is made, you will win prototypes and lose production orders.

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Ownership. Relationships in India are personal and they are built in the room. A director who visits four times a year and answers messages the same day will outperform a larger team that communicates by quarterly email.

A FRUGAL FIRST STEP

Do not commission a market study as your first move. Spend the same money on one week in India with fifteen meetings: five potential customers, five potential partners or suppliers, and five people who have done it before you. You will come home knowing your score.

Going deeper: the price gap

Price position is the row where most European companies score zero, so here is how to size it. Take one product. Start with your ex-works price. Add freight, insurance, import duty and local distribution margin to reach the price an Indian customer would pay for the imported product. Then find out, through customer conversations, the band that comparable local products sell in. The difference is your price gap.

From your price to the Indian price band

1	2	3	4	5
Ex-works price	Freight and duty	Local margin	Imported price	Compare with local band

A gap is not a verdict. It is a design brief. Break it into what can be closed by localising parts, what can be closed by adjusting the specification, and what must be justified by performance the customer will pay for. If, after all three, a gap remains that nobody will pay for, that product is not your entry product.

Going deeper: preparing the technical file

A complete technical file shortens every later step. It should contain controlled drawings with revision levels, a bill of materials with materials and finishes, test and validation reports, the standards the product meets, and a list of special processes. Mark each document by how sensitive it is. Share the least sensitive first, under a non-disclosure agreement, and hold back anything that reveals core know-how until trust and contracts are in place.

= Worked example: sizing a price gap

Illustrative figures only. A component sells ex-works for 100. Freight, duty and handling take it to 130. A distributor's margin takes it to 150. Customer conversations suggest local alternatives sell between 80 and 110.

How the gap of 40 could be closed	Effect
Localise the fabricated housing and wiring	minus 20
Offer a version without two features nobody asked for	minus 10
Justify the rest with life-test evidence and warranty	premium of 10 accepted

The company now has a plan and a reason for each number. Without the exercise it would simply have been told it was too expensive.

Worksheet 2: Readiness scorecard

Score each area 0 (not yet), 1 (partly) or 2 (ready). Write one action for anything below 2. Print or photocopy this page.

Area	Score	Evidence	Action and owner
Product fit			
Price position			
Technical file			
People			
Cash			
IP			
Patience			
Total out of 14			

? Questions to ask your leadership team

1. Which customer segment in India has the problem we solve?
2. What does our product cost landed in India today?
3. What is the local price band, and how do we know?
4. Could we share our drawings tomorrow under an NDA?
5. Who would own India if our first choice left the company?
6. Which trade marks have we filed in India?
7. What will we report to the board before there is revenue?

! Common objections

What you may hear	A straight answer
"We need a full market study before we can score ourselves."	You need fifteen conversations. A study tells you about the market. Conversations tell you about your product in that market.
"We cannot afford to localise."	Start with the two or three parts where freight and labour dominate. Localisation is usually funded by the saving on those parts.
"Our drawings are not ready, but our people know the product."	Then the product cannot yet be made by anyone else. Fixing that helps your home plant as much as India.

IN HOW INDIA WORKS: RELATIONSHIP COMES BEFORE TRANSACTION

In much of Europe, trust follows the contract. In India, the contract follows trust. People want to know who you are before they decide what to buy from you.

- Expect the first meeting to be about you, your company's history and your intentions. That is the meeting working, not drifting.
- Tea, lunch and personal questions about family are part of business. Accept and answer warmly.
- The same senior face returning visit after visit counts for more than a polished presentation.

IN HOW INDIA WORKS: ENGLISH IS THE LANGUAGE OF BUSINESS

You can do business with any Indian OEM, customer or sizeable supplier in English. Meetings, emails, drawings, specifications, contracts and tenders are in English as a matter of course, so a UK or European team does not need an interpreter for commercial or technical discussions.

- For continental European companies, English is the natural bridge language. Indian engineers are used to working in it with German, Italian, French and Nordic suppliers.
- On the shop floor and at smaller suppliers, operators may be more comfortable in the regional language. This is where a local colleague earns their keep.
- Indian business English has its own phrases. “Revert” means reply. “Prepone” means bring forward. “Do the needful” means please take care of it.
- Large numbers are counted in lakh (100,000) and crore (10 million). Check which unit a figure is in before you react to it.
- Speak plainly and avoid idiom. Follow every meeting with a short written summary.

Myth and fact

MYTH Indian buyers only want the cheapest price.

FACT They are exact about value. They pay for what they can measure and ask you to remove what they cannot. The premium and export layers pay well for proven performance.

TIP OF THE DAY Score the readiness check separately, then compare. The rows where your directors disagree are the ones to discuss.

Your action tasks

- ■ Score the readiness table with your leadership team and record the result.
- ■ For every row scored zero, write one action and an owner.
- ■ Gather your drawings, bill of materials and test reports into one controlled folder.
- ■ Ask your finance lead what budget could be ring-fenced for 18 to 24 months.

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FUN FACTS

- India's constitution recognises 22 scheduled languages. English is the common language of business, which is one reason UK and European firms find meetings easier than they expect.
- The managing director I travelled with held around ten meetings in 12 days. His best result was an agreed product trial, and he rightly counted that as a win.

Section 2 in one page

- Score the business, not only the product.
- Price position and ownership decide most outcomes.
- A price gap is a design brief, not a verdict.
- Get the technical file in order before you need it.
- One week of meetings beats a market study as a first step.

15

meetings in one week in India will tell you more than a commissioned report: five customers, five partners, five people who have done it before.

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03

Choosing your route to market

Five ways in, what each one costs you in money and control, and how to pick the one that fits your stage.

In this section

- How I help clients choose
- A staged path that works
- What each route asks of you
- Choosing a joint venture partner
- Worked example: choosing by customer
- **Worksheet 3: Route comparison**
- Questions to ask a potential distributor or joint venture partner
- How India works: Who really decides
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 3 in one page

There is no best route into India. There is a best route for your product, your customer and your appetite for risk today, and a different best route three years from now. Choose for the next stage, and build in the right to change.

A staged path into India

1	2	3
Export or distributor: learn	Contract manufacturing: get the cost right	Own subsidiary: scale

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Route	Best when	Commitment	Control	Watch for
Direct export	Low volumes, high value, specialist product	Low	High on product, low on market	Duty, freight and lead time make you the expensive option
Distributor or agent	Standard product, many small customers, need for local stock and service	Low to medium	Low	Exclusivity given too early, no targets, no exit clause
Licensing or technology transfer	Your design, their factory and their customers	Low	Medium, through the contract	Royalty leakage, quality drift, creating a future competitor
Contract manufacturing	You keep the customer and the design, a local plant makes to your drawing	Medium	High on design, shared on quality	Tooling ownership, supplier dependency, IP in the drawing pack
Joint venture	The customer or the regulation demands a strong local partner	High	Shared	Misaligned goals, deadlock, a difficult exit
Own subsidiary	India is strategic and you want full control of brand, price and people	High	Full	Fixed cost before revenue, compliance load, hiring the first leader

How I help clients choose

1. **Start from the customer.** Ask your three most likely Indian customers how they prefer to buy. Some OEMs will only buy from an Indian entity invoicing in rupees with local content. That one answer can remove half the table.
2. **Check the price gap.** If your landed export price is far above the local band, routes that keep manufacturing in Europe are a way to learn, not a way to scale.
3. **Decide what you must control.** Usually it is design, quality and the customer relationship. Anything else can be shared.
4. **Stage it.** A common and sensible path is export or distributor for learning, contract manufacturing for cost, then your own subsidiary once volume justifies the fixed cost.

> ***"Choose the route for your next stage, and build in the right to change."***

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A staged path that works

For many SME manufacturers the frugal answer is a hybrid. Keep the design authority and the critical parts in Europe. Localise the heavy, bulky and labour-intensive content through contract manufacturers. Sell under your own brand through a small Indian subsidiary or a tightly managed partner. You get a local cost base and an Indian invoice without building a factory on day one.

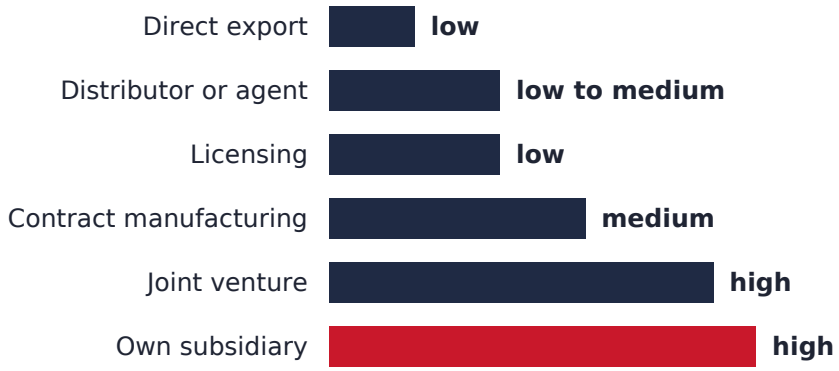
> **PUT THE EXIT IN THE FIRST CONTRACT**
> Every distributor, licence and joint venture agreement should say how it ends: notice period, what happens to stock, tooling, customer data and the brand, and what the other side may not do afterwards. It is far easier to agree this while everyone is friendly.

In buses, rail and automotive the staged path is the one I have seen work most often. Companies arrive with a European product, sell a small number as imports to learn the market, move the bulky and labour-intensive content to Indian contract manufacturers once they know the price band, and build their own entity when volume and local invoicing justify it. The companies that struggle are usually the ones that jumped straight to a joint venture before they knew what their own cost base in India would be.

Going deeper: what each route asks of you

Every route trades control for commitment. The mistake is to look only at the cost of entry and not at the cost of staying.

How much of your own money and time each route commits (relative, illustrative)



A relative scale for comparison only, not a cost estimate.

- **Distributor.** Cheap to start. The cost of staying is that the customer relationship belongs to someone else. Insist on shared visibility of end customers and joint visits.
- **Licensing.** Income with little investment. The cost of staying is policing quality and royalties. Keep a critical component or a software key in your own hands.

- **Contract manufacturing.** A local cost base without a factory. The cost of staying is supplier management. Budget for someone who visits regularly.
- **Joint venture.** Shared risk and local strength. The cost of staying is alignment. Agree in writing what happens when you disagree.
- **Own subsidiary.** Full control. The cost of staying is fixed overhead and compliance from day one.

Going deeper: choosing a joint venture partner

If a joint venture is right, choose the partner for what they add, not for how keen they are. Look for complementary strength: they bring customers, a plant or approvals, and you bring product and technology. Check that both sides want the same thing in five years. Many joint ventures fail because one partner wanted a market and the other wanted the technology. I help companies find and assess joint venture partners and investors; whoever helps you, take legal advice on the agreement in both countries before you sign.

= Worked example: choosing by customer

An illustrative German maker of door systems asks three target bus builders how they prefer to buy. Two say they will only buy from an Indian entity, in rupees, with local service. One will import for prototypes only. That removes direct export and a foreign-based distributor as long-term routes.

The company chooses contract manufacturing for the door leaves and frames, keeps the drive unit in Germany, and appoints a service partner. It plans to form its own Indian company once annual volume passes an agreed threshold. The route was decided by the customer's buying rule, not by the supplier's preference.

Worksheet 3: Route comparison

Score each route from 1 (poor) to 5 (good) for your own situation. Add the scores, then sense-check the winner against what customers told you. Print or photocopy this page.

Route	Fits how customers buy	Closes price gap	Protects IP	Affordable now	Total
Direct export					
Distributor or agent					
Licensing					
Contract manufacturing					
Joint venture					
Own subsidiary					

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? Questions to ask a potential distributor or joint venture partner

1. Which customers do you sell to today, and may we speak to two of them?
2. What other brands do you represent, and do any compete with us?
3. Which regions and segments are you strong in, and where are you not?
4. What targets would you commit to in the first year?
5. Who in your team would be dedicated to our product?
6. How do you handle service, stock and warranty?
7. What do you expect from us in training and marketing support?
8. How would you want this agreement to end, if it had to?

! Common objections

What you may hear	A straight answer
"A joint venture is the only way foreigners succeed in India."	It was once common. Many foreign manufacturers now operate through their own companies or contract manufacturers. Choose a partner for what they add.
"Give us exclusivity for all of India and we will invest."	Offer exclusivity by region or segment, for a fixed period, tied to targets. A serious partner accepts measurable terms.
"Let us start with a simple handshake agreement."	Start with a short written agreement and a trial. Handshakes are for the relationship. Paper is for when memories differ.

IN HOW INDIA WORKS: WHO REALLY DECIDES

Many Indian manufacturers are family-owned or promoter-led, even very large ones. The owner's view carries the room.

- Decisions can be remarkably fast at the top and slow in the middle. Find a route to the top without going around the people in the middle.
- Engineers and buyers may agree with you and still need the owner's blessing. Ask politely how the decision will be taken.
- Match seniority. Your managing director meeting theirs moves things that months of email cannot.

Myth and fact

MYTH You need a local joint venture partner to operate in India.

FACT Many foreign manufacturers operate in India through wholly owned companies. A partner is a choice, to be made when they bring something you cannot build or buy. Rules vary by sector, so confirm with your advisers.

TIP OF THE DAY Never sign an agreement in India on the same trip you first met the other party.

Your action tasks

- Ask your three most likely Indian customers how they prefer to buy, and from what kind of entity.
- Work out your landed export price into India for one product and compare it with the local price band.
- Write down the three things you must keep control of.
- Sketch your staged path: the route for year one, and the route you expect by year three.

FUN FACTS

- India has 28 states and 8 union territories, and the states compete with each other to attract manufacturers. Where you locate can change the incentives on offer.
- A customer's own plant location often decides your route. A manufacturing partner close to the customer's gate made the strongest opportunity on our 2026 trip stronger still.

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Section 3 in one page

- Choose the route for the next stage, not for ever.
- Let the customer's buying rules narrow the options.
- Look at the cost of staying, not only the cost of entry.
- Give exclusivity in small pieces, tied to targets.
- Write the exit into the first agreement.

3 stages **is a common path: learn through export or a distributor, get the cost right through contract manufacturing, then scale through your own company.**

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04

Understanding your Indian customer

How Indian buyers decide, what they will and will not pay for, and how to shape an offer that survives the first negotiation.

In this section

- Find your layer
- How buying decisions are made
- Design the offer for India
- Who is in the room
- From first meeting to first order
- Worked example: good, better, best
- **Worksheet 4: Ten customer conversations**
- Questions to ask a potential customer
- How India works: What yes means, and what no means
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 4 in one page

The most common mistake I see is treating India as one market with one price. It is many markets layered on top of each other, and your first job is to choose the layer you belong in.

Three layers of the market

1	2	3
Premium and export: enter here	Volume mainstream: localise to win	Public tenders: needs a track record

Find your layer

- **Premium and export programmes.** Customers building for export or for the top of the domestic market. They want European performance and will pay for it if you can prove it.

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- **Volume mainstream.** Where most of the units are. Specification is negotiated line by line and local content is expected.
- **Public sector and tenders.** Large and visible, with formal qualification, approved vendor lists, local-content preferences and long payment cycles.

A European SME usually enters through the premium layer, earns its reference there, then builds a localised version for the mainstream. Entering through a public tender with no local track record is the hardest road.

How buying decisions are made

- **Several people decide.** Engineering approves the product, purchasing negotiates the price, and a senior leader blesses the relationship. Losing any one of them loses the order.
- **Samples and trials come first.** Expect to supply prototypes, support fitment and attend trials before a commercial order. Budget for this as marketing.
- **Negotiation is expected.** The first price you quote is treated as an opening position. Build your quote so you can trade content, volume and terms without giving margin away for nothing.
- **Total cost is understood, unit price is watched.** You will need to show the cost breakdown and the reasoning. Buyers respect a supplier who knows their own numbers.

> ***"Do not strip your product down. Rebuild it for the need."***

Design the offer for India

Do not strip your product down. Rebuild it for the need. Go through the specification with the customer and sort every feature into three piles: required by regulation or safety, valued and paid for, and inherited from a European customer who is not in the room. The third pile is where your price gap lives.

Lever	What it means in practice
Specification	Offer good, better, best versions. Let the customer choose the level instead of rejecting the whole product.
Local content	Make the bulky, simple and labour-heavy parts in India. Keep the critical, patented or hard-to-copy parts with you.
Commercial terms	Rupee invoicing, local stock, credit terms and warranty support often matter as much as the price.
Standards	Know which Indian standards and approvals apply. Arriving with test evidence shortens every conversation.

TEN CONVERSATIONS BEFORE ONE QUOTATION

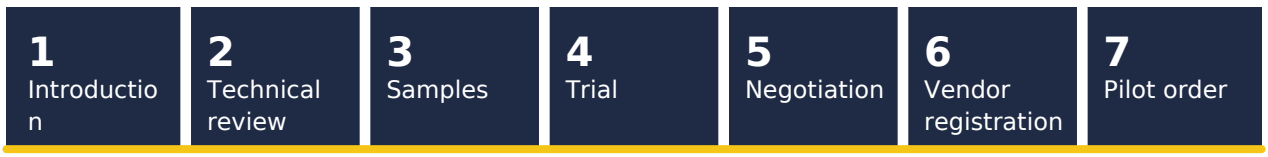
Before you issue a price in India, hold ten customer conversations and ask the same five questions: what do you buy today, from whom, at roughly what price, what annoys you about it, and what would make you switch? The pattern in the answers is your market study.

A seating example makes this concrete. European seats for buses and coaches carry a specification shaped by European operators and standards. Taking that range into India meant separating what was required by safety and regulation, what Indian operators valued and would pay for, and what had simply been inherited from another customer. Two product levels came out of it: a high-volume passenger seat and a premium coach seat, each specified for the layer of the market it served. That split is what made the price workable, and the business behind it grew from €400,000 to €2.8 million in two years.

Going deeper: who is in the room

A typical supplier meeting at an Indian vehicle or equipment maker involves three groups, and each listens for something different.

A typical path to the first order



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Who	What they care about	What to bring them
Engineering and R&D	Does it meet the requirement and the test plan? What failed in the field with the current supplier?	Test evidence, a validation plan, a specialist who can answer in detail
Purchasing	Price, local content, payment terms, risk of a new supplier	A cost breakdown, a localisation roadmap, references
Senior management	Is this a serious, long-term partner?	Your own senior person, a clear commitment to India, a simple story

Engineers are often generous with information. On our 2026 visits, technical teams shared requirements, test methods and the failures they were seeing in service. Treat that as a specification handed to you for free, and write it up the same evening.

Going deeper: from first meeting to first order

Expect a sequence: introduction, technical discussion, samples, fitment or bench trial, a seasonal or field trial, commercial negotiation, vendor registration, then a pilot order. For vehicle systems a field trial may need to run through a summer or a monsoon to be accepted. That is why a realistic first-trip result is an agreed trial, and why starting early matters more than starting perfectly.

= Worked example: good, better, best

An illustrative Italian maker of interior lighting offers one product in Europe. For India it builds three levels.

Level	What is in it	Who it is for
Good	Standard light output, locally made housing, basic control	Volume city buses
Better	Higher output, dimming, longer warranty	Premium and intercity
Best	Full European specification with all approvals	Export programmes

The customer chooses a level instead of rejecting the product, and the supplier learns which features the market values.

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✎ Worksheet 4: Ten customer conversations

Use one row per conversation. Look for the pattern after the tenth. Print or photocopy this page.

Company and role	What they buy today, from whom	Rough price	What annoys them	What would make them switch
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

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? Questions to ask a potential customer

1. What do you buy today for this application, and from whom?
2. What do you like least about it?
3. Which standards and tests must a new supplier pass?
4. How do you run trials, and how long do they take?
5. Who is involved in approving a new supplier?
6. Do you need local manufacture, a rupee invoice or local service?
7. What volumes do you expect over the next three years?
8. If we met your requirement, what would the next step be?

! Common objections

What you may hear	A straight answer
"Your price is too high."	Ask which part of the specification they would remove. The answer tells you what they value and where your localisation effort should go.
"Send us a quotation and we will revert."	Agree what happens after the quotation: who reviews it, by when, and what the next step is. Then follow up.
"We already have a supplier for this."	Ask what they would improve about that supply. Most second-source opportunities begin with one recurring problem.

IN HOW INDIA WORKS: WHAT YES MEANS, AND WHAT NO MEANS

A direct no can feel discourteous in India, especially to a guest, a customer or a senior person. So yes carries several meanings, and no is usually said another way.

What yes can mean

- Yes, I agree and it will be done.
- Yes, I have heard and understood you.
- Yes, I will try.
- Yes, because refusing you to your face would be impolite.

How no is usually said

- "We will see." "Let me check and revert." "It is a little difficult."
- "No issues", followed by silence.
- A change of subject, a slow reply, or your request passed to someone junior.

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How to get the real answer

- Ask how and when, not whether. “What needs to happen for samples to be ready by the 15th?” gets a truer answer than “Can you do the 15th?”
- Ask what could stop it. People will share an obstacle more readily than a refusal.
- Make no safe: “It helps me more to hear today if this date is at risk.”
- Ask difficult questions privately, not in front of someone's manager.
- Confirm the same day in writing, with the owner and the date.

This varies by person. Senior people with international experience are often very direct. Read the individual, not the stereotype.

Myth and fact

✗ **MYTH** A yes in the meeting means it is agreed.

✓ **FACT** It is agreed when there is a named owner, a date and a written confirmation. Until then, yes means the conversation is going well.

TIP OF THE DAY Quote in rupees wherever you can. It tells the buyer you intend to stay.

Your action tasks

- ■ Decide which layer of the market you will enter first, and why.
- ■ Write the five customer questions from this section on one page and use them in every conversation.
- ■ Sort the features of one product into required, valued and inherited.
- ■ Draft a good, better, best version of your offer.

FUN FACTS

- “Jugaad” is a Hindi word for a clever, low-cost fix made with whatever is to hand. It is a useful reminder that frugal thinking is admired in Indian engineering, not looked down on.
- At one meeting on our trip we sat for six hours in a freezing office with no temperature control, discussing precise climate control for buses.

Section 4 in one page

- India is many markets. Pick your layer.
- Engineering, purchasing and management each need a different answer.
- Rebuild the offer for the need. Do not strip it.
- Expect trials before orders.
- Hold ten conversations before you issue one price.

3 voices

decide most orders: engineering approves, purchasing negotiates, and a senior leader blesses the relationship. Lose one and you lose the order.

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05
Finding and qualifying partners

Where good distributors, manufacturers and suppliers are found, and the checks that separate a real partner from a good presentation.

In this section

- Where to look
- The qualification funnel
- What to look for on a site visit
- What a site visit really tells you
- Planning a partner search visit
- Reference checks that mean something
- Worked example: a two-week search visit
- **Worksheet 5: Partner and supplier scorecard**
- Questions to ask a potential supplier on a site visit
- How India works: Why everyone is on WhatsApp
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 5 in one page

India has no shortage of people who would like to represent you. Enthusiasm is not the scarce thing. Fit is. A partner should bring what you lack, which is usually customers, local manufacturing or regulatory knowledge, and should need what you bring.

The partner qualification funnel



Where to look

- **Your customers' recommendations.** Ask target OEMs which suppliers and distributors they rate. It is the fastest filter there is.
- **Trade shows.** Indian exhibitions and the Indian halls at European shows put a year of meetings into three days. Walk the stands of your future competitors and suppliers too.
- **Industry bodies and trade teams.** Component manufacturer associations, your own country's chamber of commerce in India, the bilateral chambers (Indo-German, Indo-Italian, Indo-French and others), and your national trade promotion agency can all make warm introductions.
- **Industrial clusters.** Capability concentrates by region: for example Chennai, Pune, the Delhi region and Gujarat for automotive and engineering. Go where your process lives.
- **LinkedIn.** Senior people in Indian manufacturing are active and reachable. A clear message from a director gets answered.

The qualification funnel

1. **Long list (20 to 30).** Desk research and referrals. Check the basics: ownership, size, customers, certifications.
2. **Short list (6 to 8).** A structured video call and a written questionnaire. Ask for customer references and call them.
3. **Site visits (3 to 4).** Go in person. Walk the shop floor, not only the conference room.
4. **Trial (1 to 2).** A paid sample order or a 90-day pilot territory with clear targets.
5. **Contract (1).** Signed only after the trial, with targets, review dates and an exit.

What to look for on a site visit

- The owner or a decision maker gives you real time, and the second line of management is visible and capable.
- Material flow and labelling make sense, and parts for your job can be traced. Judge the discipline, not the paintwork: housekeeping in Indian plants is often well below what you are used to, and on its own it tells you little about whether the parts will be right.
- They can show a recent customer complaint and what they changed because of it.
- Measuring equipment is calibrated, in date and actually in use at the machine, not locked in a cabinet for audits. This is a far better predictor of quality than how tidy the floor is.

- Existing customers are comparable to you in standards, and you are neither their biggest nor their smallest account.
- They are open about capacity, finance and who else they work with, including your competitors.
- Statutory and tax registrations, and where relevant their MSME status, are in order.

> ***"Choose the partner who tells you bad news early."***

What a site visit really tells you

Be careful which signals you trust. Shop-floor housekeeping in many Indian plants is not at European standards, and safety procedures are often written down and certified without being followed in practice: guards left open, protective equipment in the store rather than on the operator, work at height with no harness. A European visitor can read all that as incompetence and walk away from a capable supplier. Equally, a freshly painted floor laid on for your visit tells you nothing about the parts.

So look past appearance to discipline. Is measurement in use at the machine or only in the quality office? Can they trace a part back to its material certificate? Do operators have a written instruction at the station and follow it? What changed after their last customer complaint? Those answers predict your rejects. Floor paint does not.

Treat safety separately and seriously. Do not use it to score the supplier out of the running, because you will exclude most of the market. Do write down what you saw, raise it with the owner, and make specific improvements a condition of the contract with a date against each: machine guarding, protective equipment actually worn, a trained first aider, safe access. Many owners will act on a customer request they would not act on otherwise, and you will be a better customer for having asked. If you are supplying a European OEM, their own supplier code will require this of you in any case.

CHEMISTRY IS A CRITERION

You will be solving problems with this person by phone at awkward hours for years. If a potential partner is slow, vague or defensive during the courtship, that is the best behaviour you will ever see. Choose the partner who tells you bad news early.

One practical point when you start buying: India has rules that protect smaller suppliers on payment terms. Ask your adviser what applies to you, and set your payment process up to respect it from the first order.

Scale changes what the funnel looks like, but not the steps. On one UK and European programme I led sourcing across a £45 million annual spend with more than 400 suppliers and a team of eight buyers, from proprietary A-class components down to C-class fasteners and hardware. On the India side, building the supplier ecosystem for a complete bus body meant screening a long list for every commodity, visiting the serious candidates, and developing those who were close but not yet there. The lesson that repeats: the supplier who tells you early that a date is at risk is worth more than the one who quotes two percent less.

Going deeper: planning a partner search visit

A search visit works when the meetings are qualified in advance and the days are realistic. From my own trips, and from travelling with first-time visitors, these are the rules I now follow.

2 a day the practical limit for plant meetings	**First 3 days** see the most knowledgeable people	**30 min** to allow for gate security

- **Two meetings a day.** Road travel between plants often takes two to three hours each way, and meetings run long.
- **Most important people first.** Put the most knowledgeable technical contacts in the first three days. What they tell you improves every later meeting.
- **Qualify by phone.** Before travelling to any company, confirm that they specify or buy your category of product.
- **Group by city.** The Delhi region, Pune and Chennai are natural clusters for vehicle and engineering work. Allow a travel day between them.
- **Rest and prepare.** Keep a day after arrival and use the weekend to write up notes and tailor slides for the following week.
- **Gate formalities.** Large plants need 30 minutes for security, often send passes by text to an Indian mobile, and may restrict laptops and cameras.

Going deeper: reference checks that mean something

A reference supplied by the candidate will be positive. Make it useful by asking specific questions: what went wrong and how was it handled, how quickly are quality problems closed, has price or delivery drifted, and would they award new work to this company today. Then find one reference the candidate did not supply, through your own network or your customers.

= Worked example: a two-week search visit

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Days	Where	What
1	Arrive	Rest, local SIM or colleague's number confirmed
2 to 4	City one	Top technical contacts, two target customers, two partner candidates
5	Travel	Fly to city two, write up notes
6 to 7	City two	Largest customer, supplier site visits
Weekend	City three	Rest, admin, tailor slides
9 to 10	City three	Customer senior management, manufacturing partner visit
11	Wrap up	Agree next steps with each contact, fly home

Illustrative. Adjust the cities to where your process and customers are.

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Worksheet 5: Partner and supplier scorecard

Score each candidate from 1 to 5 after the site visit. Compare notes with a colleague before totalling. Print or photocopy this page.

Criterion	Candidate A	Candidate B	Candidate C
Relevant capability and equipment			
Quality system in real use			
Management depth beyond the owner			
Comparable customers and references			
Openness about capacity and finances			
Responsiveness during the courtship			
Fit with our size and volume			
Total			

? Questions to ask a potential supplier on a site visit

1. Can you show me a part similar to ours running today?
2. What was your last customer complaint, and what changed?
3. May I see the gauge used on this part, and its calibration date?
4. Who is responsible for safety here, and what has changed in the last year?
5. Who are your three largest customers, and what share is each?
6. Which processes do you subcontract?
7. How do you control drawing revisions on the shop floor?
8. What is your current capacity utilisation?
9. Who would be our day-to-day contact, and who is their manager?
10. What would you need from us to quote accurately?

! Common objections

What you may hear	A straight answer
"We can make anything. Just send the drawing."	Ask to see something similar being made. Willingness is welcome. Evidence is what you are there for.
"You do not need to visit. We will send a video."	Videos are useful and never sufficient. A partner who discourages visits is telling you something.
"Our owner handles everything personally."	That is reassuring at first and a risk later. Ask to meet the people who will run your work.

IN HOW INDIA WORKS: WHY EVERYONE IS ON WHATSAPP

You will be asked for your WhatsApp number in the first meeting, often before your email address. India is WhatsApp's largest market, with hundreds of millions of users, and it is the working channel of Indian business.

Why it took over

- India went online by mobile phone, with some of the cheapest mobile data in the world. For many people the phone number is the business identity.
- It is immediate and personal. A message to the owner reaches the owner, not an inbox managed by someone else.
- It suits the shop floor: a photograph of a part, a short video of a trial or a voice note says more than a paragraph of email.
- Groups keep customer, supplier and your own team in one conversation.

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- Email is seen as formal and slow. A message is answered in minutes, sometimes at ten at night.

How to use it well

- Be on it. Declining WhatsApp is declining the conversation.
- Create one group per project with a clear name, and include your local representative.
- Use WhatsApp to move things and email to record them. Confirm prices, specifications, dates and decisions by email the same day.
- Keep controlled drawings and sensitive data off it. Share those through a controlled link.
- Expect unannounced calls and weekend messages. Reply when you can, and say politely when you are available.
- Send greetings at major festivals. Small courtesies are noticed.

Myth and fact

MYTH The partner with the best contacts is the best partner.

FACT Contacts open the first door. Capability, candour and follow-through keep the business. Test all three before you sign.

TIP OF THE DAY Do not judge an Indian plant by European housekeeping. Judge it by measurement, process control and how it handles a complaint.

Your action tasks

- ■ Before confirming any visit, ask: “Who specifies and buys this product in your company?”
- ■ Build a long list of 20 potential partners or suppliers from referrals and trade-show catalogues.
- ■ Write your site-visit checklist and take it to every plant.
- ■ Rank your meetings and put the most knowledgeable technical contacts in the first three days of the trip.

FUN FACTS

- One southern Indian state alone accounts for a large share of the country's vehicle and component manufacturing, with hundreds of suppliers clustered around a single city.
- On our 2026 trip, one three-hour drive ended at a company that did not buy the product at all, because its chassis supplier provided it. The most valuable contact of the whole visit was met on the final day.

Section 5 in one page

- Fit matters more than enthusiasm.
- Qualify by phone before you travel.
- Walk the shop floor, not the conference room.
- Trial before contract.
- Choose the partner who tells you bad news early.

25 to 1

A typical funnel: about 25 candidates on the long list, six to eight on the short list, three or four site visits, one contract.

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06

Structure, tax and compliance essentials

What an owner needs to know to brief advisers properly: entity choices, foreign investment rules, tax and approvals. Positions stated are as understood in November 2026.

In this section

- Entity options
- Foreign investment
- Tax and duty: questions for your adviser
- Approvals that catch manufacturers out
- Preparing the adviser brief
- Choosing advisers
- Approvals as a project
- Worked example: a two-page adviser brief
- **Worksheet 6: Questions for our advisers**
- Questions to ask a prospective adviser
- How India works: Paper, stamps and one-time passwords
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 6 in one page

THIS SECTION IS NOT TAX OR LEGAL ADVICE

It is a list of topics to raise with qualified advisers in India and at home. Rules change and differ by sector and state. Do not act on anything here without professional advice.

Get the structure right before the first invoice

1	2	3	4
Write the adviser brief	Choose the structure	Registrations and bank account	First invoice

You do not need to become an expert in Indian regulation. You need to know enough to ask good questions and to recognise when a decision has long consequences. Everything in this section should be confirmed with an Indian chartered accountant and lawyer before you act.

Entity options

Option	What it can do	Owner's view
Liaison office	Represent the parent, research the market, promote. It cannot trade or earn income.	A listening post. Useful for a year or two, limited after that.
Branch office	Trade and provide services with central bank approval. It cannot manufacture.	Tax treatment differs from a local company, so ask your adviser. Rarely the best long-term answer for a manufacturer.
Wholly owned subsidiary (private limited company)	Everything: manufacture, trade, hire, invoice in rupees, hold approvals.	The usual choice once India is strategic. Ask your adviser about director and residency requirements.
Joint venture company	As a subsidiary, with a local shareholder.	Only when the partner brings something you cannot build or buy.

Foreign investment

Manufacturing is among the more open sectors for foreign investment in India, and many foreign manufacturers operate through wholly owned Indian companies or contract manufacturing arrangements. Rules differ by sector, and a few sensitive sectors carry limits or approval steps. Ask your adviser to confirm the position for your product before you plan the structure.

> ***"Most expensive structures come from advisers guessing."***

Tax and duty: questions for your adviser

I do not give tax advice, and this guide does not either. What I can share is the list of topics that owners most often wish they had raised earlier.

- **Corporate tax.** How will each possible structure be taxed, and which regimes or incentives could apply to us?
- **GST.** What is the correct classification code for our product, and what rate follows from it?

- **Customs duty.** What duty applies to the finished product and to its components, and can we claim a trade agreement preference? What proof of origin would we need?
- **Transfer pricing.** How should sales, royalties and management charges between our companies be priced and documented?
- **Withholding tax.** What is deducted from royalties, fees and dividends paid to the parent, and does a tax treaty reduce it?
- **Home-country side.** What does our own tax authority expect of us, and what does our double taxation treaty with India say? Treaty terms differ by country, so the answer for a German, Italian, French or UK parent will not be the same.

Approvals that catch manufacturers out

- **Product standards.** Some products need Bureau of Indian Standards certification before they can be sold. Vehicle parts and systems fall under automotive industry standards and type approval. Railway products usually need vendor approval from the railway's own design and standards body.
- **Public procurement.** Government buyers give preference to suppliers with defined levels of local content. If tenders matter to you, this shapes your localisation plan.
- **Employment.** India has consolidated its labour laws into four codes. Detailed rules vary by state and are still settling, so take local advice before hiring.
- **Trade marks.** File your brand in India early. It is inexpensive and it prevents painful disputes later.

BRIEFING YOUR ADVISERS

Give your accountant and lawyer three things in writing: what you will sell and to whom, where each stage of manufacture will happen, and how money will flow between the companies. Most expensive structures come from advisers guessing at one of these.

Going deeper: preparing the adviser brief

The quality of professional advice depends on the quality of the brief. A good brief is two pages and answers six questions: what will be sold and to whom, where each stage of manufacture happens, who invoices whom and in what currency, what intellectual property is involved and where it will sit, how many people will be employed and where, and what the plan looks like in three years. Send it before the first call and ask the adviser to tell you what you have missed.

Approvals run in parallel with everything else

1	2	3	4	5
Ask customers what applies	Map the evidence you have	Identify gaps	Apply early	Track monthly

Going deeper: choosing advisers

- Choose firms that already act for foreign-owned manufacturers of your size.
- Ask who will do the work day to day, not only who attends the pitch.
- Ask for a fixed fee for set-up and a clear monthly fee for compliance.
- Make sure your home-country accountant and your Indian adviser speak to each other.
- Ask for a calendar of filings and deadlines for the first year.

Going deeper: approvals as a project

Product approvals are often the longest lead-time item in an India plan and the one most often discovered late. Treat them as a project of their own. Ask each target customer which standards, type approvals or vendor registrations apply to your product, who normally applies, how long it usually takes and what evidence from European testing is accepted. Put the answer on your plan before anything else.

This section is deliberately a list of questions and not a set of answers. I am not a lawyer or a tax adviser, and the right answers depend on your sector, your home country and the date.

= Worked example: a two-page adviser brief

Heading	Illustrative entry
What and to whom	Interior panels for bus builders in three Indian states
Where it is made	Panels moulded by an Indian contract manufacturer; fixings supplied from the EU
Who invoices	Indian entity invoices customers in rupees; parent invoices the entity for fixings and design
IP	Tooling owned by parent; trade mark filed in India
People	One country manager in year one; three staff by year three
Three-year view	Own assembly unit if volume justifies

With this in hand, the adviser can respond with options and questions instead of assumptions.

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✎ Worksheet 6: Questions for our advisers

Record the adviser's answer and the date. Rules change, so note when each answer should be re-checked. Print or photocopy this page.

Topic	Our question	Answer and date	Re-check by
Entity structure			
Foreign investment rules for our sector			
Corporate tax			
GST and classification			
Customs duty and trade agreement preference			
Transfer pricing			
Product approvals			
Employment			
Trade marks and IP			

? Questions to ask a prospective adviser

1. Which foreign-owned manufacturers of our size do you act for?
2. Who will be our day-to-day contact?
3. What structure options do you see for our plan, and what are the trade-offs?
4. What is the realistic timeline from instruction to first invoice?
5. What will set-up cost, and what will annual compliance cost?
6. What are the three mistakes you most often correct for new entrants?
7. How will you work with our accountant at home?

! Common objections

What you may hear	A straight answer
"We will sort out the structure once we have an order."	The first order often fixes the structure by accident. A short conversation with advisers beforehand costs little.
"Our distributor says we do not need any approvals."	Ask the customer and an independent adviser. Your distributor may be right, but it is your product and your risk.
"We read online that the rate is X."	Rates and rules change and depend on your facts. Use what you read to form questions, not conclusions.

IN HOW INDIA WORKS: PAPER, STAMPS AND ONE-TIME PASSWORDS

India is both highly digital and highly documented. You will meet both on the same day.

- Company filings, tax and many approvals run on online portals, and directors need digital signatures and identification numbers.
- Many systems confirm identity by a one-time password sent to an Indian mobile number. A foreign number often cannot receive it, so you need a trusted local person.
- Expect requests for notarised and stamped copies, board resolutions and a company seal. Prepare a standard pack once and reuse it.
- Patience and a good company secretary save more time than pressure does.

Myth and fact

MYTH Setting up a company in India takes years.

FACT With good advisers, forming the company is usually the quick part. What takes time is the bank account, registrations and approvals around it, so ask your advisers for a realistic timeline and start those in parallel.

TIP OF THE DAY Ask advisers for a fixed fee and a one-page summary. If they cannot explain it on one page, keep asking.

Your action tasks

- Write the three-point adviser brief: what you will sell, where each stage is made, how money will flow.
- Shortlist two Indian accounting firms and one law firm, and ask each for a fixed-fee scoping call.
- Find the product classification code for your main product and check its duty and GST rate.
- File your trade mark in India this quarter.

FUN FACTS

- India's goods and services tax was launched at midnight on 1 July 2017, at a special session of Parliament.
- India runs on a single time zone, five and a half hours ahead of GMT, even though the country is nearly 3,000 km wide.

General guidance only. Not legal, tax or financial advice.

Section 6 in one page

- Know enough to ask good questions. Leave the answers to advisers.
- Write a two-page brief before the first call.
- Treat product approvals as a project of their own.
- File trade marks early.
- Record every answer with a date and a re-check date.

2 pages

is all a good adviser brief needs: what you sell, where it is made, who invoices whom, where the IP sits, people and the three-year view.

General guidance only. Not legal, tax or financial advice.

07
Localisation: make, buy or adapt

How to decide what to make in India, what to keep at home, and how to run an indigenisation programme without losing quality or IP.

In this section

- Sort the bill of materials
- The indigenisation process
- Material equivalents
- Protecting your IP
- Building a should-cost
- The first sample
- Keeping quality after launch
- Worked example: should-cost for a bracket
- **Worksheet 7: Bill of materials localisation sort**
- Questions to ask your engineering team
- How India works: “It will be done”
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 7 in one page

Localisation, or indigenisation as it is called in India, is the work of taking a product designed for European production and making some or all of it in India. Done well it closes the price gap, satisfies local-content rules and shortens lead times. Done in a hurry it produces parts that look right and fail in service.

The indigenisation process

1	2	3	4	5	6	7
Technical pack	Target cost	Suppliers	Tooling	Samples	Pilot lot	Ramp

Sort the bill of materials

Take your bill of materials and place every line in one of four groups.

Group	Typical parts	Decision
Localise first	Fabrications, brackets, mouldings, trim, wiring, packaging, bulky or heavy items	High freight and labour content, low IP risk. Move early.
Localise with care	Safety-related parts, items needing special processes or approvals	Move after a full validation plan and customer agreement.
Keep at home	Patented, hard-to-copy or core know-how parts, low-volume specials	Supply from Europe as kits. This is also your IP protection.
Buy standard locally	Fasteners, standard electrical parts, raw materials, consumables	Source to an equivalent Indian or international standard.

The indigenisation process

1. **Prepare the technical pack.** Clean drawings, material specifications, test requirements and acceptance criteria. Remove references only your current supplier understands.
2. **Set a target cost.** Build a should-cost for each part from material, process, overhead and margin. It gives you a fact base for negotiation.
3. **Find and qualify suppliers.** Use the funnel in Section 5. Match the supplier's size to your volume.
4. **Agree tooling.** You pay for it, you own it, and the contract and the tool itself say so.
5. **Sample and validate.** First samples, measurement reports, material certificates and fit trials. Repeat until right, then freeze the process.
6. **Run a pilot lot.** A small production batch under normal conditions, inspected at source.
7. **Ramp with control.** Incoming inspection, clear change control and a named person who visits the supplier.

> ***"A day at the supplier during sampling saves a month of sorting parts later."***

Material equivalents

European drawings call up European grades. The exact grade may be imported, expensive or unavailable in small quantities. Agree an equivalent Indian or international grade with your engineers and, where needed, your customer, and record the decision on the drawing. Many localisation delays are one unanswered email about a material grade.

Protecting your IP

- Split the product so that no single supplier holds the complete design.
- Keep the critical part, the software or the final assembly and test in your own hands.
- Use NDAs and supply agreements under Indian law, with tooling ownership and non-compete clauses written plainly.
- Register trade marks and designs in India before you show anything.

> **QUALITY IS DESIGNED IN AT THE SUPPLIER**
> Final inspection finds problems. It does not prevent them. Put your effort into the supplier's process: the fixtures, the gauges, the operator instructions and the first-off checks. A day spent at the supplier during sampling saves a month of sorting parts later.

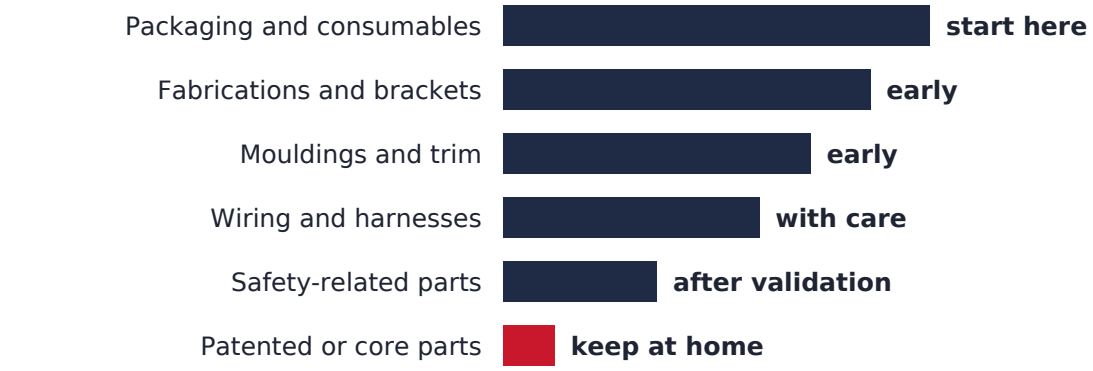
Two examples from my own work show what is achievable. The first was a 12-metre low-floor city bus body, indigenised completely inside a fixed six-month timeline and a set cost envelope, with no import dependency left in the bill of materials and every regulatory, safety and durability requirement met. Every commodity was in scope, from major structural assemblies down to small bought-out items, because a localisation programme that leaves gaps leaves the import cost and the lead time with it.

The second was the European seating system described earlier: 100% localisation of bus and rail seats for the Indian market, with the cost brought down through zero-based costing rather than through pressure on suppliers, and turnover growing from €400,000 to €2.8 million in two years. What both projects had in common was a clean technical pack, a should-cost for every part, and someone on the ground at the supplier during sampling.

Going deeper: building a should-cost

A should-cost is your own estimate of what a part ought to cost from a competent Indian supplier. Build it from the drawing: net material weight plus scrap at a current material price, each process with its cycle time and an hourly rate, an allowance for overhead and profit, tooling spread over the expected volume, and packing and freight. You will be wrong in places. The supplier will show you where, and in doing so will show you their real cost drivers.

Typical order of localisation, easiest first (illustrative)



Relative ease only. Your own product will differ.

Going deeper: the first sample

First samples are a conversation, not an exam. Ask for a full measurement report against the drawing, material certificates and photographs of the process. Review them with the supplier on a call the same week. Separate the findings into drawing ambiguity, which is your job to fix, and process capability, which is theirs. Agree the corrections and a date. Two or three sample loops are normal for a new part.

Going deeper: keeping quality after launch

- Agree a control plan: what is checked, how often, with what gauge, and who signs.
- Inspect at source for the first lots, then reduce as confidence grows.
- Require written approval before any change to material, process, sub-supplier or location.
- Review rejects monthly with the supplier and ask for the root cause, not only the replacement.
- Visit. Nothing replaces a person from your side standing at the machine.

= Worked example: should-cost for a bracket

Illustrative figures in index points, with today's European price set at 100.

Element	Estimate
Steel, including scrap	22
Laser cutting, bending, welding	14
Powder coating	6
Overhead and margin	9
Packing and freight to port	4
Sea freight, duty and handling	9
Landed should-cost	64

The first quotation comes in at 71. The difference is traced to a tight tolerance on a non-critical hole. The tolerance is relaxed and the price settles at 66. Both sides understand the number.

General guidance only. Not legal, tax or financial advice.

Worksheet 7: Bill of materials localisation sort

List your top parts by value and place each in a group. Add the reason, so the decision survives staff changes. Print or photocopy this page.

Part or assembly	Annual value	Group (first / with care / keep / standard)	Reason	Owner

General guidance only. Not legal, tax or financial advice.

? Questions to ask your engineering team

1. Which parts carry our real know-how?
2. Which drawings contain notes only our current supplier understands?
3. Where could an equivalent material grade be accepted?
4. Which tolerances are functional and which are habit?
5. What validation would each localised part need?
6. Which changes would need customer approval?
7. Who will approve first samples, and how quickly?

! Common objections

What you may hear	A straight answer
"If we localise, our quality will suffer."	Quality suffers when localisation is rushed. A proper validation plan, control plan and source inspection protect it.
"The supplier will copy our product."	Split the product, keep the core at home, register your rights and choose suppliers with reputations to protect.
"The exact European material is not available."	Agree an equivalent grade with your engineers and, where needed, the customer. Record it on the drawing.

IN HOW INDIA WORKS: "IT WILL BE DONE"

Indian suppliers are resourceful and want your business. The willing answer comes first and the detail later.

- "No problem, we can do it" describes intent. Ask to see a similar part they make today, the machine it runs on and the inspection record.
- Samples can arrive astonishingly fast. Treat the first sample as proof of willingness and the third consistent batch as proof of capability.
- Ambiguity on a drawing will be resolved in the cheapest direction. State every requirement that matters.
- A problem may be fixed with an ingenious workaround. Admire it, then ask for the root cause.

General guidance only. Not legal, tax or financial advice.

Myth and fact

MYTH Made in India means lower quality.

FACT Indian plants supply global vehicle and equipment makers to international standards every day. Quality follows process control and supervision, in India as anywhere.

TIP OF THE DAY Put the tooling ownership on a plate riveted to the tool itself, not only in the contract.

Your action tasks

- Sort the bill of materials for one product into the four localisation groups.
- Pick five parts in the “localise first” group and prepare clean drawing packs for them.
- Build a should-cost for those five parts.
- Decide which parts or know-how will never leave your own plant.

FUN FACTS

- India is one of the world's largest makers of two-wheelers and tractors, which is why its supply base is so deep in castings, forgings, machining and wiring.
- One family-owned bus builder we visited makes its own battery modules and wiring harnesses, and quoted a 94% yield on its fabrication line.

Section 7 in one page

- Sort the bill of materials before you approach suppliers.
- Build a should-cost for every part you localise.
- You pay for the tooling and you own it.
- Expect two or three sample loops.
- Quality is built at the supplier's process, not at final inspection.

3 batches

Treat the first sample as proof of willingness. Treat the third consistent batch as proof of capability.

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08

People and presence on the ground

When to hire, who to hire first, and how to work across distance, time zones and business cultures.

In this section

- Three levels of presence
- Your first hire
- Working across cultures
- A working rhythm
- Recruiting the first person
- Running the relationship from europe
- Your own conduct
- Worked example: the first 90 days of a country manager
- **Worksheet 8: India contact map**
- Questions to ask a first-hire candidate
- How India works: Indian timings: meetings, commitments and replies
- How India works: The cultural side of India
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 8 in one page

At some point email and quarterly visits stop being enough. Customers want someone they can call in their own time zone, and suppliers perform better when someone can arrive at the gate tomorrow morning. The question is how to get presence without building overhead before revenue.

+5½ h
ahead of the UK in winter (4½ ahead of central Europe)

6 days
a common factory working week

2 a day
the practical limit for meetings

General guidance only. Not legal, tax or financial advice.

Three levels of presence

Level	What it is	Right for
Represented	A trusted consultant or partner acts for you, with your directors visiting regularly	Year one. Learning the market, qualifying partners, running first projects.
First hire	One senior person on your payroll or employed through a local employer-of-record service	When you have live customers or suppliers needing weekly contact.
Team and entity	Your own company with sales, quality and supply chain roles	When volume justifies fixed cost, usually year two or three.

Your first hire

The first person you hire in India sets the culture of everything that follows. Resist the urge to hire a salesperson with a big contact book. Hire someone who can represent you with integrity to customers, suppliers and officials, and who tells you the truth when it is inconvenient.

- Look for someone who has worked for a foreign company before and understands reporting, compliance and candour.
- Have them meet your whole leadership team, ideally in your home plant, before they start.
- Pay fairly for the market and tie part of the reward to milestones, not only sales.
- Give them authority. A country manager who must ask Europe for every decision cannot build relationships.

> ***“The first person you hire in India sets the culture of everything that follows.”***

Working across cultures

- **Yes can mean I hear you.** Confirm commitments in writing with a date and an owner. Ask “what could stop this?” instead of “is that OK?”
- **Hierarchy matters.** Senior people decide. Make sure your senior person meets theirs.
- **Relationships come before transactions.** Time spent over a meal is work. Visit when nothing is wrong.
- **Speed is uneven.** Samples can appear overnight and approvals can take months. Plan for both.

- **Messaging apps are the working channel.** Expect quick, informal, round-the-clock communication, then put decisions in an email.

A working rhythm

- A weekly call at a fixed time that works for both time zones, with a shared action list.
- A monthly review of the plan, the pipeline and the money.
- A director visit every quarter, with customer and supplier meetings booked in advance.
- Indian colleagues and partners brought to your home site at least once a year.

ONE ACCOUNTABLE OWNER

Whatever the structure, the board should be able to name one person who owns India and one person on the ground who speaks for you. When that is unclear, customers notice before you do.

Going deeper: recruiting the first person

Take as much care over this hire as you would over a board appointment. Use your network, your customers and your advisers for recommendations before going to a recruiter. Interview in person in India and again at your home site. Take references from foreign companies the candidate has worked for. Be clear about the role: in year one it is part salesperson, part supplier manager, part ambassador and part administrator.

A working rhythm across two time zones

1	2	3	4
Daily: messages in the shared window	Weekly: fixed call and action list	Monthly: plan, pipeline, money	Quarterly: director visit

- Agree notice periods and start dates early. Notice periods can be long.
- Decide how the person will be employed until you have your own entity, and take advice on it.
- Give them a proper induction at your home plant, with time on the shop floor.
- Set milestones for the first 90 days that are about learning and relationships, not sales.

Going deeper: running the relationship from Europe

The time difference works in your favour if you use it. Your morning is India's afternoon, which gives a shared window of several hours every working day from anywhere in the UK, Ireland or continental Europe. Use the start of your day for India calls and the rest for home business. Keep one shared action list that both sides update. Decide which decisions your Indian colleague can make alone, and publish that list, so they are not left waiting overnight for permission.

Going deeper: your own conduct

You are being assessed as closely as you are assessing. Arrive on time, reply quickly, keep small promises and show interest in the people and the place. Learn a few words of greeting. Remember names and family details. These things are noticed and repeated.

= Worked example: the first 90 days of a country manager

Period	Focus	Evidence of progress
Days 1 to 30	Induction at the home plant, product training, meet the leadership team	Can present the product and answer first-level technical questions
Days 31 to 60	Meet every existing customer, partner and supplier contact in India	Contact map, open issues list, first weekly reports
Days 61 to 90	Own the action list, lead meetings, propose the next quarter's plan	A 90-day plan presented to the board

General guidance only. Not legal, tax or financial advice.

Worksheet 8: India contact map

One row per important contact. Keep it current. It is your memory of the relationship. Print or photocopy this page.

Name and company	Role and influence	Last contact and topic	What was promised, by whom, by when	Personal notes

? Questions to ask a first-hire candidate

1. Which foreign companies have you worked for, and what did you learn?
2. Tell me about a time you had to give bad news to a manager abroad.
3. Which customers and suppliers in our sector do you know personally?
4. How would you spend your first 30 days?
5. What decisions would you expect to make without asking us?
6. What would make you leave this role?
7. How do you prefer to report, and how often?

! Common objections

What you may hear	A straight answer
"We will hire once we have revenue to pay for it."	Revenue usually follows presence. Start with a trusted consultant or part-time representative if a full hire is too early.
"We need someone with a big contact book."	Contacts help. Integrity, candour and persistence matter more, and are harder to find.
"We will manage it all by video call."	Calls maintain relationships. They do not create them. Someone has to be in the room.

IN HOW INDIA WORKS: INDIAN TIMINGS: MEETINGS, COMMITMENTS AND REPLIES

Indian colleagues joke that IST stands for Indian Stretchable Time. There is truth in the joke, and also a misunderstanding worth clearing up, because time in India is flexible in some places and strict in others.

Meetings

- A 10:00 meeting may begin at 10:30. Traffic is a real cause, and so is the previous meeting running over.
- A meeting ends when the conversation is finished, not when the slot is. On our 2026 trip a short evening meeting ran to two hours, and one technical discussion ran to six.
- The senior person may join late, or call you in after the team has briefed them. It is hierarchy, not discourtesy.
- Meetings move or cancel at short notice. A major visit on that trip was cancelled on the morning itself.

Commitments

General guidance only. Not legal, tax or financial advice.

- A date is often given to please you. “By Friday” can mean “that is my intention unless something more urgent arrives”. It is optimism, not deceit.
- A promise becomes firm when it has a named owner, a specific date and time, and you have said you will check in before it.
- Hard deadlines are respected: flights, factory shifts, tender submissions, statutory filings. Say clearly which of your dates are hard and why.

Replies

- A WhatsApp message is often answered within minutes, including late evenings and Sundays. A detailed email may wait a week.
- No reply usually means “not yet”. It rarely means no, and it does not mean yes.
- Many factories work six days. Saturday meetings and 8 pm calls are normal.

How to work with it

- Plan two meetings a day and leave the evening open.
- Reconfirm every meeting the day before and again that morning, by message.
- Break every commitment into interim milestones and ask for a photograph or a short update at each.
- Follow up without embarrassment. A friendly reminder is expected.
- Arrive on time yourself. Your punctuality is noticed and sets the tone for how you will work together.

IN HOW INDIA WORKS: THE CULTURAL SIDE OF INDIA

Culture is not a soft topic in India. It is how trust is built, and trust is how business is done. A visitor who shows interest and respect is forgiven almost any mistake.

Hospitality

- A Sanskrit saying, “Atithi Devo Bhava”, means the guest is equivalent to God. Expect tea, snacks, lunch and real warmth. Accept at least something; refusing everything can seem cold.
- You may be invited to a home or a family occasion. It is a compliment and worth accepting.

Greetings and respect

- A handshake is normal in business. “Namaste”, with palms together, is always welcome. With women, let them offer a hand first.
- Seniority and age are respected. Greet the most senior person first. “Sir” and “Madam” are used freely and mean courtesy, not servility.

- Exchange business cards, and connect on LinkedIn and WhatsApp the same day.

Food

- Some people are vegetarian, and some do not eat beef or pork for religious reasons. Ask before you order for a group, and let your host choose when in doubt.
- Alcohol customs vary widely by person and by state, and a few states prohibit it. Follow your host's lead.

Family, faith and festivals

- Family is central, and questions about yours are friendly interest. Ask in return.
- India is home to many faiths. Festivals are important to colleagues of every background. Learn the main ones, send greetings and plan around them.
- Remove your shoes when entering a home or a place of worship, and anywhere you see others do so.

Communication

- People are often indirect to be polite. Listen for what is not said, as described in Section 4.
- A gentle side-to-side movement of the head usually means “I am listening” or “understood”. It is not a no.
- Humility is admired. Speaking modestly about your own company lands better than a hard sell.

Gifts and dress

- A small gift from your home country is appreciated. Check your own and your customer's gift policies first.
- Dress formally but lightly. A suit jacket is rarely needed on a plant visit in the hot months.

India is enormously varied. Treat every point here as a starting assumption and let the people in front of you correct it.

✓ Myth and fact

✗ **MYTH** Nobody in India keeps to time.

✓ **FACT** Meeting times are flexible and conversations run long. Yet people work late, answer messages at all hours, and hit deadlines that are specific, owned and followed up.

General guidance only. Not legal, tax or financial advice.

TIP OF THE DAY Fix your weekly India call at the same time every week. A slot that never moves is rarely missed.

Your action tasks

- Decide which level of presence fits you for the next 12 months.
- Fix a weekly India call in the diary and start a shared action list.
- Book your next two India visits now, with customer and supplier meetings on each.
- Write the role outline for your first hire, even if you will not recruit this year.

FUN FACTS

- India does not use daylight saving time. It is five and a half hours ahead of the UK and four and a half ahead of central Europe in winter, and an hour less in each case in summer.
- On Indian roads the horn does not mean “watch out”. It means “I am coming through”. Visitor passes at large plants are often sent by text to an Indian mobile number, so have a local colleague's number ready.

Section 8 in one page

- Get presence without building overhead too early.
- The first hire sets the culture.
- Confirm commitments with an owner and a date.
- Use the shared hours in the working day.
- Show respect for the culture and you will be forgiven most mistakes.

4 to 5 h

of the working day overlap between India and anywhere in the UK, Ireland or continental Europe. Use your morning for India.

General guidance only. Not legal, tax or financial advice.

09

Seven costly mistakes in your first 12 months

The errors that cost European manufacturers the most time and money in India, and what to do instead.

In this section

- Why capable companies still make them
- Early warning signs
- Three more mistakes worth avoiding
- How to recover
- The one-day review
- Worked example: an exclusivity clause that protects both sides
- **Worksheet 9: Our mistakes checklist**
- Questions to ask yourselves at the annual review
- How India works: Bad news travels slowly
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 9 in one page

None of these mistakes is exotic. Each one is made by capable companies every year, usually because a reasonable shortcut was taken under time pressure. Read the list with your own plan in front of you.

42 miles
took 2 h 20 min by road on one trip

6 hours
the longest single meeting

30 min
typical gate security at a large plant

General guidance only. Not legal, tax or financial advice.

Mistake	What it costs	Do this instead
1. Selling the European product at the European price	A year of polite meetings and no orders	Re-shape the specification and cost base for the layer of the market you are targeting (Section 4)
2. Signing the first enthusiastic partner	An exclusive agreement with someone who cannot deliver, and a hard exit	Run the funnel, trial before contract, and write the exit first (Sections 3 and 5)
3. Giving national exclusivity on day one	The whole country locked up by a partner strong in one region	Grant by region, segment or account, tied to targets and time
4. Underestimating time	Budget and patience run out just as traction starts	Plan for 18 to 24 months to meaningful revenue and tell the board so
5. Managing by email from Europe	Slow answers, lost momentum, problems discovered late	Put a trusted person on the ground and visit every quarter (Section 8)
6. Leaving structure and tax until later	An entity or pricing model that is expensive to unwind	Brief advisers before the first invoice (Section 6)
7. Handing over the whole drawing pack	Your design on someone else's stand in three years	Split the product, keep the core, file your IP early (Section 7)

Why capable companies still make them

The common thread is treating India as an extension of an existing export process. It gets handed to the export desk, measured on quarterly sales, and funded from whatever is left in the travel budget. India rewards the opposite: senior attention, milestones that measure learning before revenue, and a budget agreed up front.

> ***"India rewards senior attention, patient milestones and a budget agreed up front."***

Early warning signs

- Three months have passed since anyone senior was in India.
- Your partner's forecasts keep moving to the right with no explanation.
- You cannot say what your product costs to make locally.
- Customers like the product and ask for a discount of a third or more.
- All communication runs through one person at your partner.
- The board asks "is India working?" and nobody has an agreed way to answer.

If two or more apply, stop and review before you spend more. A one-day honest review costs far less than another six months on the wrong track.

Going deeper: three more mistakes worth avoiding

- **Over-packing the visit.** Five meetings a day on paper becomes two and a half in practice, with the important one cut short. Plan two and do them properly.
- **Travelling to an unqualified meeting.** A long drive to a company that does not buy your product category costs a day you cannot get back. One phone call beforehand prevents it.
- **Leaving without a next step.** A warm meeting with no agreed action, owner and date is a pleasant memory. Close every meeting by agreeing what happens next.

18 to 24
months to meaningful revenue is a realistic plan

2
warning signs are enough to trigger a review

1 day
a year for an honest India review

Going deeper: how to recover

If you are already in India and it is not working, the usual causes are a partner who is not performing, a price that does not fit, or nobody on the ground. Each has a recovery path.

Situation	First step	Then
Partner not performing	Review against the targets in the agreement, in person	Reset with a 90-day plan, or use the exit clause
Price does not fit	Hold five customer conversations about specification, not price	Build a localised or simplified version
Nobody on the ground	Appoint a trusted representative for six months	Decide on a first hire with evidence
Board losing patience	Report milestones achieved and what has been learned	Agree the evidence that would justify continuing or stopping

Going deeper: the one-day review

Once a year, or when two warning signs appear, take one day with the people closest to India. Ask four questions: what did we expect, what happened, what did we learn, and what will we change? Write one page. It is the cheapest insurance in the whole plan.

General guidance only. Not legal, tax or financial advice.

= Worked example: an exclusivity clause that protects both sides

Illustrative only. Take legal advice on any agreement.

Weak	Stronger
Exclusive distributor for India, no end date	Exclusive for two named states and one customer segment, for two years
No targets	Agreed annual targets, reviewed every six months
No exit terms	Either side may end with notice; stock, customer list and brand use are dealt with
Supplier has no customer visibility	Joint customer visits and shared reporting

Worksheet 9: Our mistakes checklist

Review this every quarter. Be honest. Nobody outside the room will see it. Print or photocopy this page.

Mistake	Does it apply to us? Evidence	Action and owner
European product at European price		
Signed the first enthusiastic partner		
National exclusivity given too early		
Underestimated the time		
Managing by email		
Structure and tax left until later		
Whole drawing pack handed over		
Visits over-packed or unqualified		
Meetings ending without a next step		

? Questions to ask yourselves at the annual review

1. What did we expect to have achieved by now?
2. What have customers told us that surprised us?
3. Is our partner the right one for the next stage?
4. Do we know our local cost?
5. Who from our board has been to India in the last quarter?
6. What would we do differently if we were starting today?
7. What evidence would make us stop?

! Common objections

What you may hear	A straight answer
"We have invested too much to change partner now."	Money already spent is not a reason to spend more. Judge the partner on the next two years.
"The market just is not ready for us."	Sometimes true. More often the offer has not been adapted. Test that before concluding.
"It will pick up next quarter."	Ask what will be different next quarter and who is doing it. If the answer is nothing and nobody, review now.

IN HOW INDIA WORKS: BAD NEWS TRAVELS SLOWLY

Nobody enjoys disappointing a customer, and in India the instinct is to solve the problem quietly before mentioning it. The result is that you can learn about a delay on the day it was due.

- Ask for status with evidence: a photograph, a count, a test report. It is normal and not seen as distrust.
- Praise early warnings publicly. People repeat what is rewarded.
- Have someone local who can visit. A person at the gate hears what a video call never will.
- When something goes wrong, focus on the fix first and the cause second. Blame closes the channel.

Myth and fact

MYTH Chasing people repeatedly is rude.

FACT In India, follow-up is expected and is read as a sign that the matter is important to you. Silence usually means your request has slipped down the list, not that the answer is no.

TIP OF THE DAY Keep a one-page India log: date, who you met, what was promised, by when. Read it before every call.

Your action tasks

- Read the seven mistakes with your plan open and mark any that apply.
- Go through the early warning signs and count how many are true today.
- Check every partner agreement for exclusivity, targets and an exit clause.
- Tell your board in writing how long it will realistically take to reach meaningful revenue.

FUN FACTS

- On our 2026 trip a 42-mile drive back to the hotel took 2 hours 20 minutes. Plan India days in hours of travel, not miles.
- The hardest day of that trip combined a long rural drive, a factory visit and an evening flight. Never pair a remote visit with a flight on the same day.

Section 9 in one page

- The costly mistakes are ordinary shortcuts taken under pressure.
- India is not an extension of your export desk.
- Qualify meetings and never leave without a next step.
- Two warning signs mean stop and review.
- Recovery is possible when you act on evidence.

7 + 3

Seven classic mistakes and three more from the road. Every one of them is avoidable with a phone call, a clause or a visit.

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10
Your 12-month entry plan

A quarter-by-quarter plan with milestones, budget headings and the decisions the board needs to make along the way.

In this section

- Budget headings
- Measure progress before revenue
- Board decisions on the way
- Your first visit, step by step
- Reporting to the board
- Year two
- Worked example: a one-page monthly board report
- **Worksheet 10: Our 12-month India plan**
- Questions to ask your team before each board review
- How India works: The Indian calendar
- Common objections, myth and fact, tip of the day, action tasks and fun facts
- Section 10 in one page

A plan for India should fit on one page and be reviewed every month. This one assumes an SME manufacturer entering to both sell and source. Adjust the pace, not the order.

Your first 12 months

1	2	3	4
Q1: Learn and decide	Q2: Qualify	Q3: Prove	Q4: Commit

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Quarter	Focus	Key actions	Milestone to reach
Q1 (months 1 to 3)	Learn and decide	Readiness check. First India visit with 15 meetings. Customer conversations. Map standards and approvals. File trade marks.	Target segment, three named target customers and a preferred entry route agreed by the board
Q2 (months 4 to 6)	Qualify	Partner and supplier funnel. Site visits. Should-cost on priority parts. Adviser briefing on structure and tax. NDAs in place.	Shortlisted partners and suppliers, a target price, and the entity decision made
Q3 (months 7 to 9)	Prove	Samples and first localised parts. Customer trials. Pilot agreement with a partner. On-the-ground representation in place.	Product accepted by at least one customer for trial, and first approved local parts
Q4 (months 10 to 12)	Commit	Convert trial to order. Sign the long-term agreement. Incorporate if planned. Year-two budget and hiring plan.	First commercial order or signed supply agreement, and a funded year-two plan

Budget headings

I have left the amounts blank on purpose, because they depend on your sector and route. Make sure every heading has a number against it before you start.

- Travel and time: director visits, trade shows, hosting visitors at your home site.
- Representation: consultant, partner retainer or first hire.
- Samples, prototypes and trial support.
- Tooling and validation for localised parts.
- Testing, certification and approvals.
- Legal, tax and incorporation.
- Trade marks and other IP filings.
- Marketing: website page for India, brochures, LinkedIn presence, exhibition stand.
- Working capital for first orders and stock.
- Contingency of at least 15%.

> ***“Stopping on evidence is a good outcome, not a failure.”***

Measure progress before revenue

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By month	You should be able to show
3	Number of customer conversations held, and what they said about price and specification
6	Qualified partners and suppliers, target cost against should-cost, structure decision
9	Samples approved, trials running, local content achieved on first parts
12	Orders or signed agreements, landed cost against target, year-two plan

Board decisions on the way

1. Month 3: go or no-go on the segment and route.
2. Month 6: which partner, which structure, how much tooling to fund.
3. Month 9: hire or stay represented.
4. Month 12: commit to year two, pause, or stop. Stopping on evidence is a good outcome, not a failure.

START THIS WEEK

Book the first visit, write down your three questions from Section 1, and score the readiness check with your leadership team. Those three actions cost almost nothing and turn India from a topic into a project.

Going deeper: your first visit, step by step

The first visit sets the tone for the year. These points come from my own travel and from accompanying first-time visitors.

Where the first year's effort goes



- **Before you fly.** Complete the visa, health declaration and arrival form in good time. See a travel clinic early. Pack light business clothes, a layer for cold meeting rooms and a rain jacket.
- **On arrival.** Keep the first day free. Carry some cash in small notes. App-based taxis are inexpensive and widely used.
- **Each day.** Two meetings. Leave early. Reconfirm by message that morning. Allow 30 minutes at the gate.

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- **Each evening.** Write up what you learned while it is fresh. Send a thank-you message to everyone you met.
- **At the weekend.** Rest, walk the city, and prepare tailored slides for the next week.
- **Before you leave.** Agree the next step with each contact and book your return.

Going deeper: reporting to the board

Report India on one page each month with four headings: milestones against plan, what we learned, money spent against budget, and decisions needed. Keep revenue as one line among several in the first year. A board that sees steady learning and control will fund year two. A board that sees only a sales number will not.

Going deeper: year two

If month twelve ends with a first order or signed agreement, year two is about repeating it: a second customer, more localised content, a first hire or entity if not yet in place, and a visible brand presence in India. Plan it before the first year ends, while the lessons are fresh.

= Worked example: a one-page monthly board report

Heading	Illustrative month 6 entry
Milestones	Two partners shortlisted; target price agreed; adviser brief issued. One site visit slipped to month 7.
What we learned	Customers value local service above two features we thought essential.
Spend	46% of annual budget used against 50% planned.
Decisions needed	Approve tooling for three localised parts. Confirm director visit in month 8.

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✎ Worksheet 10: Our 12-month India plan

Fill in dates, owners and budget. Review monthly. Print or photocopy this page.

Quarter	Key actions	Owner	Milestone	Budget	Done?
Q1: Learn and decide					
Q2: Qualify					
Q3: Prove					
Q4: Commit					

? Questions to ask your team before each board review

1. Which milestones did we hit, and which slipped?
2. What did we learn this month that changes the plan?
3. Are we ahead of or behind budget, and why?
4. What decision do we need from the board?
5. Who visits India next, and what will they do there?
6. What is the single biggest risk to the next quarter?

! Common objections

What you may hear	A straight answer
"A one-page plan is too simple for something this big."	Detail belongs in the working files. The one page is what keeps the board, the owner and the team aligned.
"We cannot set a budget until we know more."	Set a budget for the first quarter of learning. Use what you learn to budget the rest.
"If there is no order by month twelve, it has failed."	If you have a qualified partner, an approved product and a customer in trial, you are on course. Measure the right things.

IN HOW INDIA WORKS: THE INDIAN CALENDAR

Your plan will meet India's calendar, so build the plan around it.

- The financial year runs from 1 April to 31 March. Budgets, targets and price reviews follow it, and March is busy for everyone.
- The monsoon, roughly June to September, slows travel and site work. October to March is the most comfortable time to visit.
- Major festivals, Diwali above all, bring factory closures and slow decisions for a week or more. Dates move each year, so check them before booking.
- State and national elections can pause public-sector orders and approvals.
- Add these dates to your project plan before you add your own.

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Myth and fact

MYTH You cannot plan anything in India.

FACT You can, if the plan has buffers, interim milestones and a regular review. The companies that say India is unplannable usually planned it like a European project.

TIP OF THE DAY Book your return visit before you leave India. A date in the diary keeps both sides moving.

Your action tasks

- Copy the four-quarter plan onto one page and put dates and names against it.
- Put a figure against every budget heading, including contingency.
- Set the board decision dates for months 3, 6, 9 and 12.
- Book the first visit, and complete the visa, health declaration and arrival form at least a week before you fly.

FUN FACTS

- India's financial year runs from 1 April to 31 March, so customer budgets and supplier price reviews often follow that calendar.
- The managing director I travelled with had his visa and health declaration ready, but not the arrival form. He queued twice at 1 am and reached his hotel at 2 am.

Section 10 in one page

- Put the plan on one page and review it monthly.
- Give every budget heading a number.
- Measure learning before revenue.
- Fix the board decision points in advance.
- Book the first visit this week.

1 page

A plan the board can read in two minutes gets reviewed every month. A plan that needs an hour gets reviewed once.

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The book in two pages

Every section in one line, with the number to remember. Pin these two pages up.

Section	The point	Remember
1. Why India, and why now	Decide whether you are going to sell, source or both.	: The strongest entries combine two of the three reasons to go: a market, a supply base, a regional base.
2. The India readiness check	Score the business, not only the product.	**15**: meetings in one week in India will tell you more than a commissioned report: five customers, five partners, five people who have done it before.
3. Choosing your route to market	Choose the route for the next stage, not for ever.	**3 stages**: is a common path: learn through export or a distributor, get the cost right through contract manufacturing, then scale through your own company.
4. Understanding your Indian customer	India is many markets. Pick your layer.	**3 voices**: decide most orders: engineering approves, purchasing negotiates, and a senior leader blesses the relationship. Lose one and you lose the order.
5. Finding and qualifying partners	Fit matters more than enthusiasm.	**25 to 1**: A typical funnel: about 25 candidates on the long list, six to eight on the short list, three or four site visits, one contract.
6. Structure, tax and compliance essentials	Know enough to ask good questions. Leave the answers to advisers.	**2 pages**: is all a good adviser brief needs: what you sell, where it is made, who invoices whom, where the IP sits, people and the three-year view.
7. Localisation: make, buy or adapt	Sort the bill of materials before you approach suppliers.	**3 batches**: Treat the first sample as proof of willingness. Treat the third consistent batch as proof of capability.
8. People and presence on the ground	Get presence without building overhead too early.	**4 to 5 h**: of the working day overlap between India and anywhere in the UK, Ireland or continental Europe. Use your morning for India.
9. Seven costly mistakes in your first 12 months	The costly mistakes are ordinary shortcuts taken under pressure.	**7 + 3**: Seven classic mistakes and three more from the road. Every one of them is avoidable with a phone call, a clause or a visit.

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Section	The point	Remember
10. Your 12-month entry plan	Put the plan on one page and review it monthly.	**1 page**: A plan the board can read in two minutes gets reviewed every month. A plan that needs an hour gets reviewed once.

My action plan

Choose one action from each section, give it an owner and a date, and review the page monthly. Print or photocopy this page.

Section	My one action	Owner	By when	Done
1. Why India, and why now				
2. The India readiness check				
3. Choosing your route to market				
4. Understanding your Indian customer				
5. Finding and qualifying partners				
6. Structure, tax and compliance essentials				
7. Localisation: make, buy or adapt				
8. People and presence on the ground				
9. Seven costly mistakes in your first 12 months				
10. Your 12-month entry plan				

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Glossary

Term	Meaning
Arm's length	The principle that related companies should trade with each other on terms independent companies would agree. Ask your adviser how it applies to you.
Bill of materials (BOM)	The complete list of parts and materials that make up a product.
Contract manufacturing	A local manufacturer makes your product, or parts of it, to your drawings.
Crore	Ten million (1,00,00,000 in Indian notation).
Do the needful	Indian business English for “please take whatever action is required”.
Indigenisation	The Indian term for localisation: making in India what was previously imported.
Jugaad	A resourceful, low-cost improvisation.
Lakh	One hundred thousand (1,00,000 in Indian notation).
Landed cost	The total cost of a part delivered to your door, including freight, duty, handling and stock.
Local content	The share of a product's value that is made in the country.
NDA	Non-disclosure agreement.
OEM	Original equipment manufacturer, for example a vehicle builder.
Prepone	Indian business English for bringing a meeting or date forward.
Promoter	The founding owner or controlling family of an Indian company.
Revert	Indian business English for “reply”.
Rules of origin	The conditions a product must meet to qualify for lower duty under a trade agreement.
Should-cost	Your own estimate of what a part ought to cost, built from material, process, overhead and margin.
Tier 1, Tier 2	A Tier 1 supplier sells to the OEM. A Tier 2 sells to the Tier 1.
Vendor registration	A customer's formal process for approving a new supplier before orders can be placed.

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Useful organisations and resources

Organisations and events worth knowing. Listed for reference only; no endorsement is implied, and none of them has reviewed this guide.

Organisation or resource	Why it is useful
Your national trade promotion agency	Every UK, Irish and EU country runs one, and most have an India desk, trade missions and market reports. Start with your own government's business and trade service.
Your country's bilateral business council or chamber in India	Most European countries have one. They make introductions, host events and know which companies are credible.
The EU-wide business support network for SMEs	Free help for smaller companies looking for international partners, suppliers and market intelligence.
India's national investment promotion agency	A single point of contact for foreign companies looking at India, with sector desks and state-level guidance.
India's automotive component industry association	The industry body for Indian vehicle component makers: member directories, technical events and sector data.
India's main industry confederations	Two large national bodies with sector groups, trade missions and matchmaking events for foreign companies.
India's mobility and vehicle exhibitions	The national mobility expo and the specialist bus, rail and commercial vehicle shows put a year of meetings into a few days.
India's machine tool and engineering exhibitions	Where to see the machinery and process capability available locally.
A chartered accountant and a lawyer in India	For anything involving entity structure, tax, customs, employment, data protection or investment.
Your own tax adviser at home	For the home-country side of any structure, and for your double taxation treaty with India.

For anything involving law, tax, customs, employment, data protection or investment, use a qualified adviser in the relevant country.

Your next step

If you have read this far you already know more about entering India than most companies do when they book their first flight. The next step is to test it against your own business.

A free 30-minute India entry review

Send me your readiness score from Section 2 and a line on what you make. In a short call we will look at which route fits, where your price gap is likely to sit, and what your first 90 days should contain. If Frugal Sourcing can help beyond that, I will say how. If not, I will say that too.

- Email: shelton@frugalsourcing.com
- Web: www.frugalsourcing.com

How Frugal Sourcing helps

- **Entry planning.** Market assessment, route selection and a costed 12-month plan.
- **Partner and supplier search.** Long list to signed agreement, with site visits and references.
- **Sourcing and indigenisation.** Should-cost, supplier development, sampling and ramp-up.
- **Business development.** Customer development with OEMs and operators, trade-show presence, and a branded digital profile for the Indian market.
- **Partners and investment.** Introductions to joint venture partners, and to companies and investors interested in partnering with or investing in manufacturing businesses. Introductions only; not investment advice.

About the author

Shelton Julius is the Founder and Director of Frugal Sourcing, which he started in 2021 to help UK and European companies establish, source and grow in India, and to help SMEs take cost out of their business without taking quality out of their product.

He is a sourcing and supply chain professional with more than 25 years in manufacturing, over 22 of them spent on buses and bus sub-systems: complete bus bodies, interiors, seating systems, trims, bought-out parts, hardware and the supplier ecosystems behind them. He has worked with vehicle manufacturers and with Tier 1 and Tier 2 suppliers across India, the UK and Europe, on both the buying and the supplying side.

His specialism is localisation and indigenisation: taking products designed for European production and making them in India to cost, on time and without loss of quality or compliance. The method is practical rather than theoretical, built on zero-based costing, supplier development and frugal engineering. Three projects give the flavour of it. He led the complete localisation of European bus and rail seating systems for the Indian market, which took that business from €400,000 to €2.8 million of turnover in two years. He indigenised a 12-metre low-floor city bus body in full, inside a fixed six-month timeline and a set cost envelope, meeting every regulatory, safety and durability requirement. And he led sourcing and supply chain for a £45 million annual spend across more than 400 UK and European suppliers, with a team of eight buyers.

He holds a degree in mechanical engineering and an MBA for entrepreneurs. Alongside Frugal Sourcing he leads the India entry and growth of a European bus and rail interiors manufacturer, which is not named here, which keeps the advice in these guides tied to live projects rather than theory.

Frugal Sourcing works as a single accountable point of contact in the UK and Europe, backed by subject-matter experts on the ground in India. Beyond entry, sourcing and branding, Shelton supports clients with business development, and with introductions to joint venture partners and to companies and investors interested in partnering with or investing in manufacturing businesses.

Introductions to partners and investors are business introductions only. They are not investment advice or a regulated financial service, and each party should take its own professional advice.

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The Frugal Sourcing guides

- **Book 01: India Entry Playbook.** How to choose your route to market, find customers and partners, and avoid the costly mistakes in your first 12 months in India.
- **Book 02: The 1% Better Framework.** Small, steady improvements in BOM, sourcing and overheads that add up to big, sustainable savings, with 500 places to find your 1%.
- **Book 03: Branding for Manufacturers.** Why customers judge you online first, and a simple website and LinkedIn plan to turn your capability into enquiries.

TALK TO US

If something in this guide matches a decision on your desk, send a short note to shelton@frugalsourcing.com with what you make, where you sell and what you are trying to decide. You will get a straight answer on whether we can help.

Notes

Use these pages for your own notes, actions and questions.

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About this book

India is building at a pace Europe has not seen for two generations, and new trade agreements are opening the door wider. This playbook takes the owner or director of a UK or European manufacturer through the decisions that matter, in the order they arrive: whether to go, which route to take, how to find customers and partners, what to localise, and how India really works day to day. Ten short sections, each with a myth corrected, action tasks and a plan you can start this week.

About the author

Shelton Julius is the Founder and Director of Frugal Sourcing. He helps UK and European companies establish, source and grow in India, and helps manufacturers reduce cost, build their brand, develop new business and find the right partners.

Also in the series

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