

# SANKET

## Strategic Intelligence on India's Industrial Systems

THE MONTHLY INTELLIGENCE BRIEF  
FOR DECISION ADVANTAGE

### May Was the Month AI Became Infrastructure.

Capital, geography and defence realigned in May 2026. For India, the opening is in the value-chain middle — packaging, components and the industrial layers that power the AI century.

#### THE SIGNAL

**\$3.3** BILLION

Intel & 3DGS advanced-packaging substrate plant committed to Odisha this month.

India's chip opening is in packaging, not fabrication.



#### INSIDE THIS ISSUE



**04**

##### NEW REPORTS

Deep research.  
Actionable insight.



**06**

##### SIGNALS THAT MATTER

Out of 41 detected,  
the 6 that move the needle.



**01**

##### COMING NEXT MONTH

The Packaging Frontier  
Why it's the new chokepoint.

“

The race is not just to build AI. The race is to own the layers that AI runs on.

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# STRATEGIC INTELLIGENCE

Monthly Strategic Intelligence on India's Industrial Systems

ISSUE 01

MAY 2026

7-MIN READ

COVER STORY

## India Buys Into the Middle of the Stack

*A \$3.3bn substrate plant, a \$150bn target, and a PLI that finally bites. May was the month India stopped chasing the fab — and started claiming the one layer it can actually own.*

IN THIS ISSUE Executive Dashboard · One Chart · Signal of the Month · Dependency Capture Framework™ · Forecast

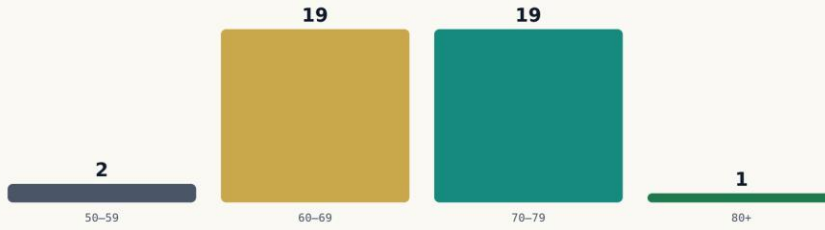
EXECUTIVE DASHBOARD

## The Board at a Glance

INDICATOR	TREND / STATUS
India's advanced-packaging position	↑ IMPROVING
Leading-edge fab competitiveness	→ WEAK
AI-infrastructure build-out	↑ ACCELERATING
Defence-supply opportunity	↑ EXPANDING
Value-capture probability (2030)	◆ MODERATE

#### SIGNAL SCORE DISTRIBUTION

41 signals scored in May 2026



TECHADYANT / STRATEGIC SIGNALS

#### FORECAST SNAPSHOT

**Base 60%** · Bull **25%** · Bear **15%**

India secures advanced-packaging share but stays input-dependent. The upside is a domestic supplier cluster; the downside is another assembly-heavy enclave.

#### THE TECHADYANT SIGNAL SCORE™

Every signal is scored 0–100 on four weighted dimensions — the same model, every issue, so the number means something over time.

**Strategic Impact 40%** · India Relevance 30% · Time Horizon 15% · Confidence 15%

#### THE BOTTOM LINE

- The AI build-out stopped being a chip race in May — it became a capital, geography and defence story at once.
- India's real opening is not the leading-edge fab. It is **substrates, advanced packaging and components** — and both policy and capital moved there this month.
- Three reinforcing moves: a **\$3.3bn Odisha substrate plant**, NITI's **\$120–150bn** 2035 target, and PLI 2.0's **55% domestic-value** rule.
- Compute is being financialised — Apollo/Blackstone's **\$36bn TPU lease-back** turns a demand wobble into a credit risk.
- Defence supply chains are cracking open (US munitions gap to 2031) — an opening India can supply into, if it is ready.

#### THIS MONTH'S THESIS

## Win the Middle, Not the Edge

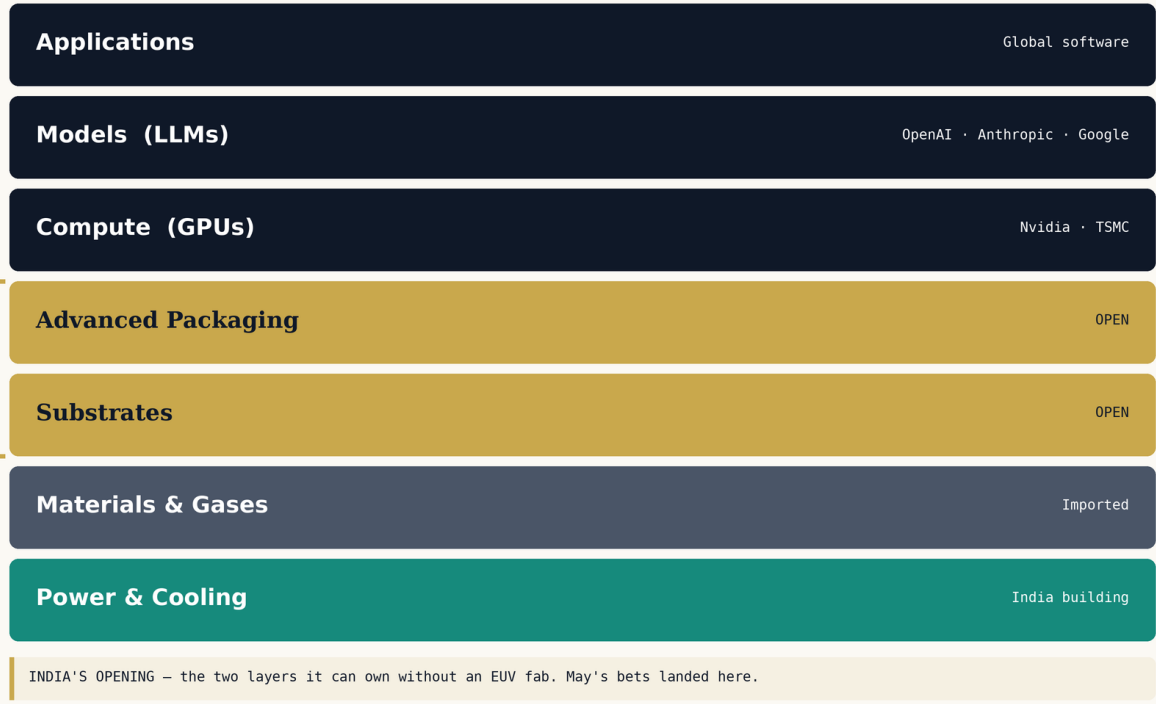
For two years, the AI story was a GPU story. In May it became something larger. Capital reorganised around it — Apollo and Blackstone's \$36bn. Geography reorganised — France, Brazil, a post-fab Europe. Defence reorganised — a US munitions gap that now runs to 2031.

India cannot win the leading edge. That race belongs to Taiwan and Nvidia, and the entry ticket is an EUV fab India will not build this decade. But the stack has a soft middle: substrates, advanced packaging, components. Lower-glamour, lower-headline — and ownable.

This month, the Indian state and India-bound capital moved into that middle at once: Odisha, the NITI target, PLI 2.0. The window to claim it is measured in quarters, not years.

THE STACK

## The AI Infrastructure Stack — and India's Way In



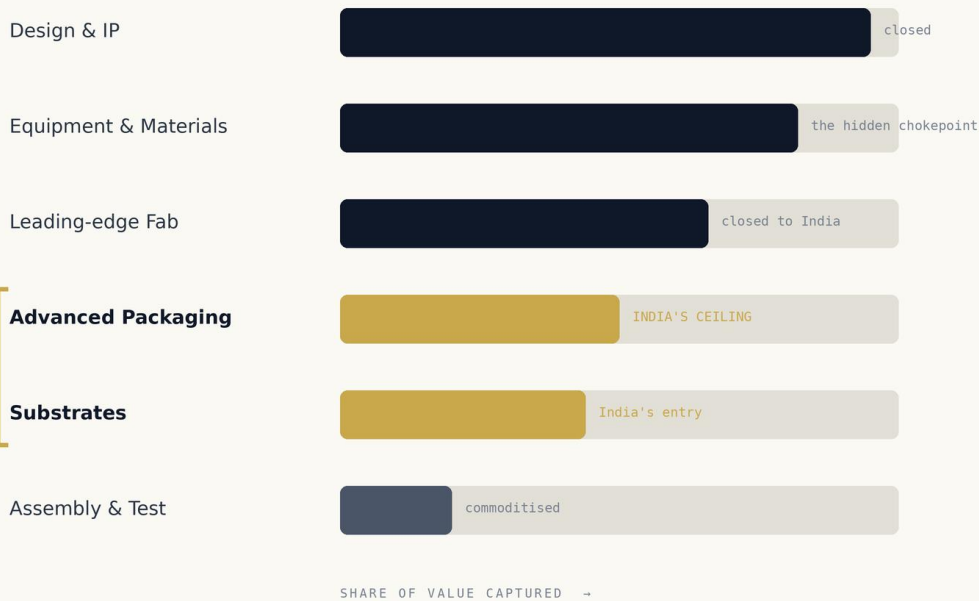
ONE CHART

## Semiconductor Value Capture

ONE CHART

### Semiconductor Value Capture

Where the margin pools — and the highest rung India can realistically reach.

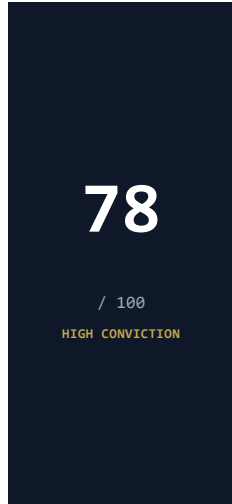


India cannot reach the top three rungs this decade. Packaging & substrates are the highest it can own — and the layers every fab depends on.

TECHADYANT / STRATEGIC SIGNALS

**THE TAKEAWAY** The top three rungs are closed to India this decade. Advanced packaging and substrates are the highest it can own — and the layers every fab depends on. That is the whole bet.

SIGNAL OF THE MONTH



## \$3.3 Billion Lands in Odisha — and It’s Substrates, Not Silicon

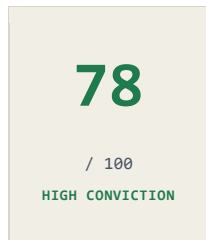
Intel and 3DGS will build an advanced-packaging substrate plant in Odisha. Substrates are the quiet chokepoint of the chip world — the layer you can own without an EUV fab, and the one Western and Chinese supply chains are now scrambling to secure. The first time India’s “package, don’t fabricate” logic shows up as poured concrete, not commentary.

**The tell to watch:** whether a domestic substrate supply base forms around the plant — or whether it becomes an import-fed enclave that books its value offshore.

SOURCE Economic Times Tech

THREE SIGNALS THAT MATTER

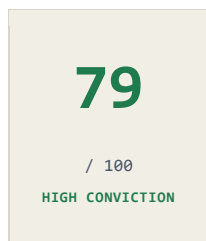
## The Rest of the Board



### India underwrites the chip stack.

NITI Aayog sets a \$120–150bn semiconductor value-chain target to 2035, with the state funding a third to de-risk it. A co-investment model is how Taiwan and Korea were built. The signal: India will underwrite, not wait.

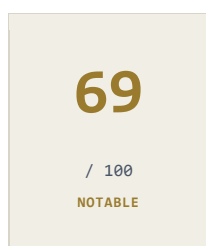
SOURCE Economic Times Tech



### PLI 2.0 aims below the surface.

The new mobile-phone PLI mandates over 55% domestic value addition. PLI 1 made India an assembler; PLI 2 targets the component base beneath it. The risk to watch is paper compliance over real localisation.

SOURCE Economic Times Tech



### Compute becomes a credit asset.

Apollo and Blackstone structure a \$36bn lease-back so Anthropic can buy Google TPUs. Compute is now financed like real estate — which means the next demand wobble is a credit event, not just a tech story.

SOURCE Economic Times Tech

We assess that India's most defensible semiconductor position through 2030 is advanced packaging and substrates — not fabrication. May's three commitments are mutually reinforcing, not coincidental: target, capital and incentive now point at the same layer.

**Principal risk:** enclave economics — incentives concentrating in assembly that imports the hard inputs, leaving the value and the dependency offshore. Confidence is capped by India's execution record on PLI value-addition targets.

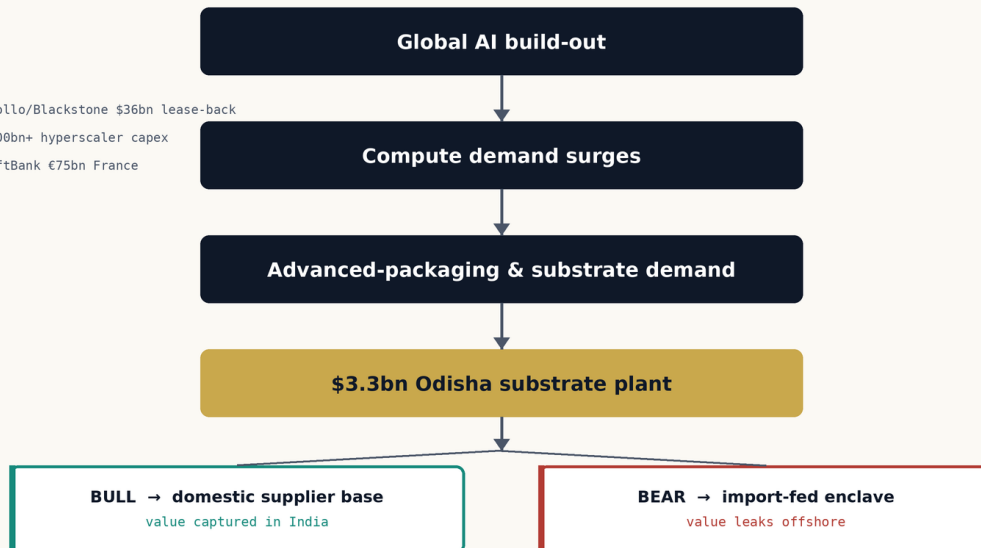
EMERGING ECOSYSTEM MAP

## How the AI Build-out Reaches Odisha

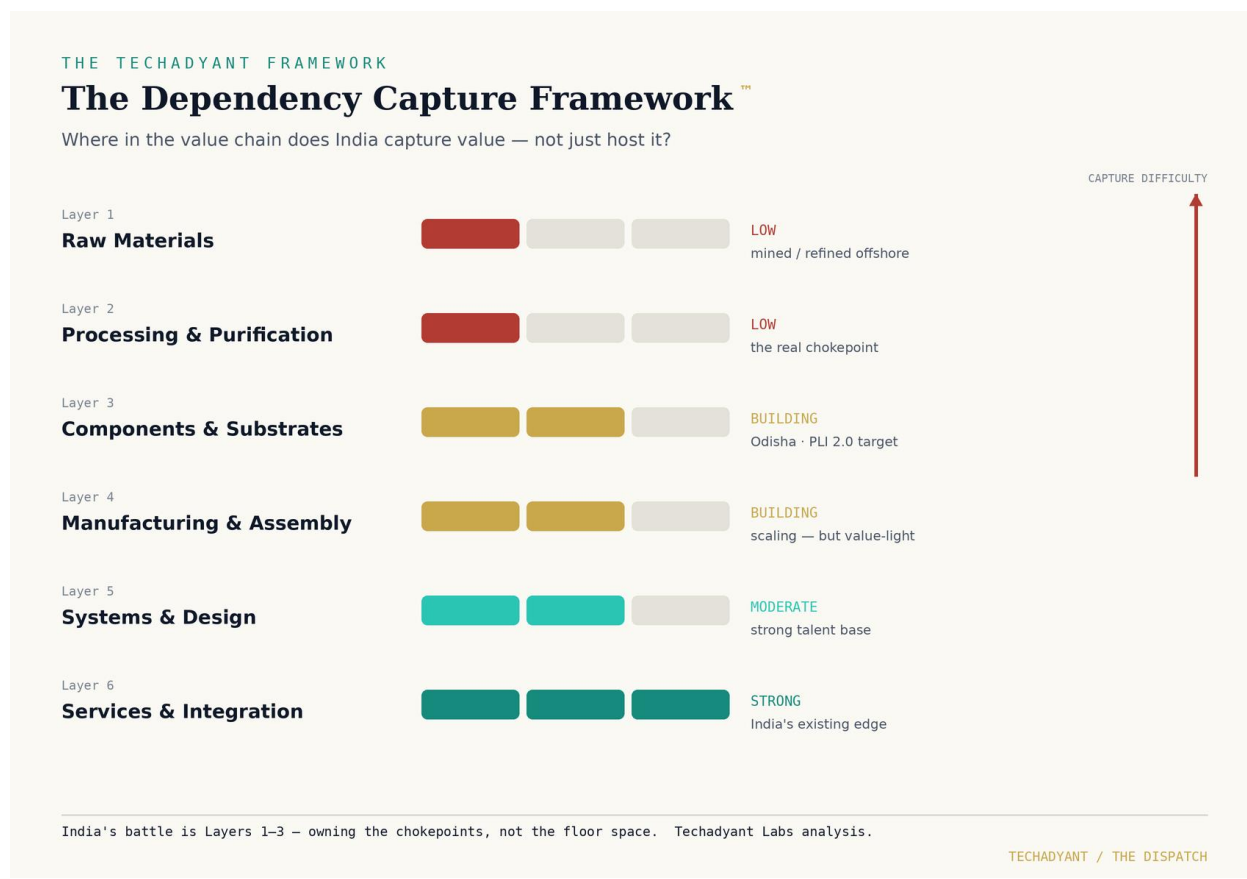
EMERGING ECOSYSTEM MAP

### How the AI Build-out Reaches Odisha

- Apollo/Blackstone \$36bn lease-back
- \$700bn+ hyperscaler capex
- SoftBank €75bn France



# The Dependency Capture Framework™



**HOW TO READ IT** Hosting a value chain is not capturing it. India is strong at the bottom (services, design) and contested in the middle. Its hardware decade is decided in Layers 1-3 — owning the chokepoints, not the floor space.

*“India doesn’t need an EUV fab to win. It needs to own the layers every EUV fab depends on.”*

CONTRARIAN VIEW

## The \$150 Billion Number Is the Wrong Target

Consensus cheered NITI’s \$120–150bn goal. We’d be careful. Headline value-chain size is a vanity metric: a country can host \$150bn of assembly and capture almost none of the margin — which is precisely what the first PLI delivered.

The number that decides India’s hardware decade isn’t chain size; it’s **domestic value-add per dollar**, and whether India owns the chokepoints — substrates, materials, equipment

subcomponents — or merely the floor space they sit on. Cheer Odisha. Stay sceptical of the trillion-rupee headline until the value-add line actually moves.

FORECAST · INDIA IN ADVANCED PACKAGING, 2030

## Three Ways This Plays Out

60%

BASE CASE

India secures meaningful share in advanced packaging and substrates, but stays dependent on imported materials and equipment. Value captured, ceiling visible.

25%

BULL CASE

A domestic supplier ecosystem forms around Odisha — India's first globally competitive semiconductor cluster, capturing value up the chain.

15%

BEAR CASE

Packaging scales but stays import-dependent — a repeat of PLI 1.0's assembly-heavy, value-light outcome. Floor space, not chokepoints.

WHAT WE'RE WATCHING

## On the Radar, Not Yet on the Board

- ▶ **x86 → ARM:** first Nvidia-powered Windows PCs ship — a structural shift in the PC stack.
- ▶ **EU sovereignty:** moves to replace US digital services and Chinese chips with domestic alternatives.
- ▶ **Cloud economics flip:** a memory-chip shortage makes bare-metal cloud cheaper than on-prem.
- ▶ **India demand crack:** rising entry-level phone prices threaten up to a 30% sales drop.
- ▶ **Defence in flux:** Canada turns to Saab; Taiwan pivots to asymmetric tech — supplier openings widen.

UPCOMING RESEARCH · 15 JUNE 2026

## The Packaging Frontier

Why assembly, test and advanced packaging may matter more than fabs — and where India can build a defensible position. The forty pages behind this month's One Chart.

ALSO IN THE PIPELINE

- JUL The Industrial Water Economy
- AUG India's AI Power Infrastructure Gap
- SEP The Cooling Economy of India
- DEC Semiconductor Supply-Chain Missing Links

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Techadyant Labs is India's independent strategic-intelligence platform for industrial systems — semiconductors, AI infrastructure, critical minerals and defence. **Sanket** is its monthly intelligence brief, compiled from a live signal engine that scores dozens of signals a month and distils the few that move the board. We map dependencies, constraints and beneficiaries. No sponsored coverage; no positions in what we analyse.

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