

# AI to Electronics: Micromax to Foray into New-age Businesses

In talks with Taiwanese co for AI hardware play, also plans electronics design & mfg in JV with Chinese co

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**New Delhi:** Micromax co-founder Rahul Sharma has planned a multi-pronged telecom foray — through electronics design and manufacturing in a Chinese joint venture — after having begun as a local challenger in the handphone market that over time became an east Asian stronghold.

Sharma also told **ET** that Micromax is in talks with a leading Taiwanese memory chip maker to make a play in the AI hardware space through custom-made memory and storage solutions that is expected to bring costs down sharply.

The company is also building a content app that will bundle multiple OTT streaming apps under one roof, a move aimed at disrupting the entire content space.

Sharma said Micromax's manufacturing arm Bhagwati has taken over Vivo's mobile phone factory in Greater Noida, where it will be making originally designed mobile phones, IT hardware and automotive parts through a joint venture with one of the largest ODMs (original design manufacturers).

Sharma, while not confirming the name of the company, said the JV entails Bhagwati to have majority ownership, and in charge of operations, while the ODM partner will



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**RAHUL SHARMA** Co-founder, Micromax

lend its technology and designs. Sharma will serve as the chief executive of the joint-venture entity as smartphone sales takes a back seat.

**ET** recently reported that a JV between Bhagwati and China's Huaqin, one of the top three ODMs that account for designing a large chunk of the smartphones sold in the world, has been cleared by the government for operating in the country.

"The partnership is all about technology. They have massive design capabilities, and are present in three ecosystems — Mobile phones, IT hardware, and automotive. They are one of the biggest in the world right now in the electronics manufacturing space," Sharma said, adding that the JV is a massive leap for the country's ambition in becoming a global manufacturing hub.

Huaqin's customers include nearly every large smartphone and IT hardware brand, according to the company's website.

Sharma is also in talks with a leading Taiwanese memory chip maker to set up a R&D unit in India to design custom-made memory and storage solutions for AI data centers. This will be done under a new entity which will also assemble the memory and storage chips locally in India, he said.

"The investments here range around a couple of hundred crores, and we will be able to follow the same trajectory as NVIDIA in the AI business, and help bring down costs for companies looking to train foundational models," Sharma said.

The AI play will be led by a former executive of HP Enterprises and Seagate, with an office in Bengaluru, with the aim to serve the top industrial houses and government units in India.

Sharma is also looking to disrupt the video streaming content space with a product that bundles many of the OTT streaming apps under

## Lenovo Starts Making AI Servers in India

Lenovo Group started building AI servers in India, the latest boon for the rapidly growing country's push to become a high-tech powerhouse.

The company said Tuesday it has started making the large, powerful computers in Puducherry, moving beyond products such as laptops and smartphones. The Chinese company will also build out its facilities in the Bengaluru region, including a research lab with a focus on artificial intelligence.

The addition of AI servers means Lenovo will make its entire stack of hardware in India for the domestic as well as export markets, underscoring the country's importance for the company — **Bloomberg**

one roof. "Instead of paying subscription fees to individual apps, we are bringing just one app for which a user has to pay to get access to all the content," Sharma said, adding that the OTT players are already onboard with a revenue-sharing agreement.