

iPhones assembled by Tatas to be a reality as Wistron clears plant sale

\$125 mn estimated cost for buying K'taka unit

SURAJEET DAS GUPTA

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Tata Electronics is set to acquire 100 per cent of Wistron Corporation's indirectly held stake in its Indian venture for \$125 million — a deal that will catapult the Tatas into a globally exclusive club of iPhone assemblers. The agreement will enable Tata Electronics to emerge as the country's first homegrown iPhone maker.

The board of Wistron Corporation, the world's third-largest electronics manufacturing services (EMS) player, on Friday approved a proposal by its two subsidiaries, which jointly own the Taiwanese firm's India venture — Wistron InfoComm Manufacturing (India) Pvt Ltd — to sell it to Tata Electronics via a share purchase agreement. The India venture operates the iPhone manufacturing plant in Narasapura, near Bengaluru.

At the same time, however, SMS InfoComm (Singapore) Pte Ltd, one of the two subsidiaries of Wistron Corp, has announced a proposal to convert a loan of \$130.26 million (including accrued interest) that it extended to the Indian venture into equity. Turn to Page 6 ▶



WISTRON'S INDIA JOURNEY

2017: The first EMS player to come to India to assemble iPhones

2020: Pulls out from China and Vietnam; sells iPhone-making factories to Luxshare

2021: Emerges as an eligible player for production-linked incentives. Last year, it even assembled iPhone 11, 13 and 14

2022: Starts negotiations with the Tatas to sell the Karnataka factory

2023: Board of Wistron clears the plant's sale to the Tatas

notion of working long hours to enhance output was valid for certain job roles, such as construction site workers and machine operators or and technicians in manufacturing. "Given the fact that nearly 90 per cent of our workforce is in informal work arrangements, the real challenge is to innovate the work itself to improve productivity," he said. Sukhbir Singh Bhatia, CEO of internet service provider Hi-COM Network, pointed out that while a 70-hour work week could demonstrate dedication, it's also important to understand that a well-rested driven team was capable of much more. Akshay Mehrotra, co-founder and CEO, Fibe, said he believed in a work-life balance, and productivity was not linked to hours put in but efforts to deliver results. The work-life balance debate, however, transcends geographical boundaries. Billionaire Elon Musk, who is workaholic, had reportedly sent an e-mail at 2 am to Twitter employees after the takeover, telling them to be "extremely hardcore" and work "long hours at high intensity". That led to resignations.

(With inputs from Ishita Ayan Dutt, Ayushman Baruah, Shine Jacob, Ajinkya Kawale)

iPhones...

While the conversion price is

not known, according to sources, this potentially could mean that Wistron may continue to have a minority stake in the Indian unit.

Following the deal, Tata Electronics would become the first Indian company to join Apple Inc's exclusive list of currently four global vendors that assemble the iPhone. Besides Wistron, Taiwanese players Foxconn and Pegatron, and Chinese company Luxshare are on the list. The importance of the agreement could be gauged from the fact that 7 per cent of iPhone's global production has already shifted to India from China, and the target is to hit around 18-20 per cent by FY26.

Commenting on the development, Union Electronics and IT Minister Ashwani Vaishnav said: "It is another major step in mobile manufacturing. With this acquisition, mobile manufacturing will be further strengthened in the country." The Tatas declined to comment. Wistron has been one of the key players in assembling iPhones in the country in Karnataka, apart from Foxconn and Pegatron, and is eligible for incentives under the production-linked incentive scheme for mobile devices. It has been manufacturing the iPhone 14 in the country. According to data from S&P Global Intelligence, Wistron was the second-largest exporter of iPhones from India, after Foxconn, notching up

\$1.98 billion in revenue in FY23 against \$0.71 billion in FY22; it accounted for 36 per cent of iPhone exports from the country. The sources said over 90 per cent of Wistron's production in India was exported.

The company, according to the sources, has invested ₹1,250 crore in setting up the plant and employs over 12,000 workers – a figure that was planning to triple. However, it faced labour issues in the plant with workers protesting allegedly unpaid wages and long working hours.

Modi...

Mittal said that Bharti Airtel-backed Eutelsat OneWeb's satellite communication service will be available in India from next month. He said the company had established its ground station in Mehsana, Gujarat. Akash Ambani, who made his debut at India Mobile Congress, showcased the JioSpaceFiber technology to the PM. The company on Friday announced JioSpaceFiber as India's first satellite-based giga fiber service to provide high speed broadband to previously inaccessible geographies within the country. Jio's venture with a Luxembourg-based satellite telecom network provider is likely to unleash intense competition with Bharti Airtel's OneWeb.

The PM, however, did not

