

Dixon arm to make phones for Xiaomi

Will Invest ₹400Cr To Set Up New Factory In Noida

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New Delhi: Dixon Technologies, the country's largest homegrown contract manufacturer for electronics, has bagged a major sourcing deal from Xiaomi to manufacture smartphones for the company.

The deal will see Dixon's fully-owned unit Padget become one of the key suppliers for Xiaomi that currently sources its smartphones from factories of Foxconn India, apart from DBG, which has one of the Chinese companies as a key stakeholder. "We are setting up a new factory in Noida towards this order from Xiaomi, and this will see us invest Rs 400 crore over a defined period of time," Sunil Vachchani, chairman of Dixon, told **TOI** here. "The campus that we are looking to set up will be a large one that will be spread over an area of 4 lakh square feet."

The decision by Xiaomi to outsource its smartphone manufacturing to an India-grown company is a key milestone in the government's efforts to push brands from the neighbouring country to give business to local brands. Xiaomi had already decided to outsource its audio business to another Noida-based company, Optiemus Electronics.

"We have a mandate to manufacture around five lakh units for Xiaomi every month, which means a total order size of 60 lakh units on an annual basis. As we see it,

it's a significant development in the 'Make in India' story and also helps us gain scale which makes us more competitive globally," Vachchani said.

Dixon is already manufacturing smartphones for brands such as Motorola, Nokia, and Jio Bharat. "There will be more investments in the component eco-

Gets 60L Units Order

➤ Dixon's fully-owned unit Padget will become one of the key suppliers for Xiaomi

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system and we are geared up to boost the share of local value-addition in whatever we are producing," the Dixon chairman said.

But while Xiaomi has decided to outsource a big part of its manufacturing, other top Chinese brands such as Vivo, Oppo and OnePlus continue to manufacture themselves. The government has time and again given them a nudge to involve more Indian companies in supply chain, distribution, as well as manufacturing. "We are aggressively pursuing all the companies, and not just the Chinese, to add more local content in their manufacturing against using imported components.