

India handset maker Micromax sells stake

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Indian handset maker Micromax, which is taking on Nokia and other foreign brands in its home market, has sold a stake to investors in a deal that values the group at more than 440 million dollars.

Micromax Informatics, an aggressive new entrant, sold a "less than 10 percent" stake to three US-based private equity investors for a total of about two billion rupees (44 million dollars), a senior company executive said.

"The deal has just been cracked," senior Micromax executive Andre Augustine told AFP.

The investors are venture capital players Sandstone Capital, Sequoia Capital and Madison Capital Management.

The New Delhi-based company already sells more than one million handsets a month in India's fast-growing [mobile market](#) only two years after starting operations.

The group leads a slew of domestic firms which include Spice Mobiles, Videocon and Lava International that have made inroads into the handset market long the preserve of multinationals such as Nokia, Samsung, LG and Motorola.

Domestic brands have already snatched a 14-percent share by revenue of the 270-billion-rupee (5.8-billion-dollar) handset market, up from four percent a year earlier, telecom journal Voice and Data said in a recent

survey.

Micromax, whose phones start at 26 dollars, has a 4.1-percent share by revenue.

The sale comes after Micromax in January sold a minority stake to private equity company TA Associates for 45 million dollars but did not disclose how big a holding it had sold.

Micromax makes handsets through contract manufacturers in China, Taiwan and South Korea and aims to set up its own factory in northern India.

It sells in Sri Lanka, Bangladesh and Nepal and hopes to expand to the Middle East, Africa and Latin America.

Domestic handset makers have emerged as major forces by tailoring their offerings to suit the Indian market. Micromax's debut phone offered 30 days of standby battery life -- a breakthrough in a country where around 400 million people still have no electricity.

India's mobile market is adding between 16 and 18 million customers a month with 55 out of every 100 Indians now owning a cellular phone, according to government figures.

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