

Carrying India's baton

Smartron carries its DNA from Silicon Valley

With the growth in IoT business projected to get in an explosive mode in the next two years in the country, emergence of start-ups on the horizon with their own proclaimed unique IoT offerings is increasingly becoming more of a norm than exception. Much like what has been happening in the technologically advanced markets in the last five years. Track N Tell, Mobmerry, Sensegiz, Fin, Coeey, Uncanny Vision, Wireless Controls, LightMetrics, ThingsCloud, etc, are some of the prominent names, which have turned heads within the domestic IT circles with their promises of offering defining IoT solutions in the recent times. There is one more name, which has also begun knocking at the doors of prominence – the Hyderabad-based Smartron.

The company (operating since 2014), is now gaining in buzz – not only because it has found a formidable mascot in Sachin Tendulkar (he is the brand ambassador and also an investor in Smartron) but also because it has begun pushing its products beyond the assembly lines and is promising to eventually emerge as a global entity in the IoT space with strong 'Make in India' leanings. And it is this tall claim which has drawn the attention of many.

Smartron can be dubbed a start-up in the Indian scene but the company seems to be carrying its DNA from Silicon Valley. Mahesh Lingareddy, its co-Founder & chairman, has been a key figure behind the success of the California-based Soft Machines, serving as its co-founder & CEO. The market is abuzz with the speculation that global semi-conductor giant Intel is on the verge of buying Soft Machines, known for its expertise in virtual CPUs, for a sum of over \$300 million, though a clear official confirmation is still awaited. *Business India* has learnt that a formal announcement

will be made in early December and it would clearly be the most sparkling feather in the cap of Telugu entrepreneur.

Coming back to Smartron, in the recent years, Mahesh Lingareddy has also shaped Smartron, which is rooted in India and seems to be fuelled by a larger ambition this time -- to create a home grown global IoT entity. So, while research and innovation began quietly at its center in Hyderabad in 2014, the results have begun becoming visible now. "We started with a vision to build India's first IoT and technology OEM brand for India and the world. We saw a huge opportunity, to be part of 'new hardware innovation cycle', spurred by IoT (Internet of Things) and AI (Artificial Intelligence) waves," he says (*see interview*).

Early moves

After more than one and a half years of research and development, the company lifted curtains from the stage when it launched two products in quick succession this year – t-phone and a convertible 12.2 inch laptop called t-book this year. Filled with high-end specifications, the products are estimated to be offered at nearly half the price of what the global branded manufacturers are commanding for their established offerings in the same category. For instance, the Smartron t-phone is powered by 1.6GHz octa-core Qualcomm Snapdragon 810 processor and it offers 4GB of RAM. The phone packs 64GB of internal storage that can be expanded up to 128GB via a microSD card. It is also offering 13-megapixel primary camera on the rear and a 4-megapixel front camera. It has been priced at about Rs25,000, which is considered to be quite competitive vis-à-vis similar products of the leading brands like apple and Samsung.

"Offering world-class products at more attractive



price points will be one of your key strategies,” claims Harry Lagad, VP (Global Sales). And Lingareddy, in his media interactions, has repeatedly maintained that he would like Smartron offerings to ultimately assume same brand identity as Lenovo or Xiaomi products in the global market.

Master blaster Sachin Tendulkar held fort at the glitzy ceremonies where t-phone and t-book have been launched sending the message clear to the world that Smartron has the ability to attain global reckoning and its ‘Make in India’ leanings adds more zing to the story. “We are moving towards internet driven experiences and Smartron’s vision in

unlocking the potential of IoT will bring compelling experiences to people, making their life more productive, safe, intelligent and convenient. An Indian brand, making a great leap into technology product innovation, is commendable. I am delighted to be associated with Smartron, a global technology brand from India,” he had said during the brand unveiling of the company in Delhi around March end.

Though Smartron products are at present available on select online channels, in terms of consumer experience, the company does not seem to have done badly. Visit any gadget review site and most of the feedback on t-phone and t-book are

‘We will push hardware innovations too’

According to **Mahesh Lingareddy**, co-founder & chairman, Smartron, the market can expect more action from the company in the coming year, after the debut of initial range of products in 2016. In conversation with **Ritwik Sinha**, the man who has also made a mark in the Silicon Valley, emphasises that Smartron’s IoT portfolio is going to be quite holistic covering different sections of end users class...



What is Smartron’s evolution story?

Smartron started operations in August 2014, with a vision to build India’s first IoT and technology OEM brand for India and the world. We saw a huge opportunity to be part of ‘new hardware innovation cycle’, spurred by IoT (Internet of Things) and AI (artificial intelligence) waves. We felt the strong need to build an innovation, R&D, products and platform driven company developing next generation of smart IoT devices and systems with AI-driven cloud based services and care.

You want to be a strong India-grown brand in the technology products space, like Lenovo or Xiaomi. Why hasn’t anybody else taken a shot at it so far in India?

Because building products and brand takes a lot of patience, risk, capital and time. It needs a completely different mindset and relentless pursuit of innovation and

perfection. Smartron operates with ‘engineers at heart’ as its core DNA building smart things for life. We want Smartron brand associated with anything smart in consumer, enterprise, industrial, and infrastructure markets.

What kind of a portfolio will you have in the next two years? What new products will you be launching in the next one year?

We will be launching more than 10 products in the next year, ranging from 5.5” smart phone to 10.1” tablet, 12.2” convertible, 14” ultra book, a wireless router, to wearable band and smart home solutions.

What are your R&D capabilities in India?

All our products are conceived, designed and engineered entirely in India, which requires engineering expertise in industrial, mechanical, materials, hardware and software areas. We are

investing and innovating in advanced smart, sensor, robotics, cloud and artificial intelligence technologies.

What are you doing to expand global outreach for your products? What kind of contribution do you expect from your domestic, as also global sales channels, in the preliminary years?

For the first year or so, our focus is primarily on Indian market. As an India-based MNC, we need to first establish strong position in India. We have plans to launch our products in MEA, CIS, SEA and US markets over the next 12-24 months.

How much have you invested in this venture so far? Will you be raising additional funds in the near future? Have you set any sales target for the next two years?

We have raised close to ₹75 crore so far. We are in the process of raising ₹150 crore

more. We would need to raise more than Rs1,000 crore to be cash-flow positive. We have some aggressive internal sales targets. In less than two years, Smartron has started from zero and built a strong team, raised significant capital, introduced tbook and tphone products supported by Tron X platform and on track to clocking significant revenues in its first year of sales. That is an impressive feat that I think no other company from India has pulled it off.

What does Tendulkar as brand ambassador mean to Smartron, in terms of pursuing its ambitious objectives?

Tendulkar embodies everything that Smartron stands for or trying to do. He is one of the recent Indian stories gone global, having inspired generations of people. Smartron is also an Indian story aspiring to go global, impress the market with innovative products and inspire a generation of entrepreneurs.♦

in the neutral to positive rather than neutral to negative zone.

Three-pronged approach

But while t-phone and t-book has been the basic entry points for Smartron in the market, its game-plan has larger constituents. Primary among them being: to establish a secured open platform of its own for consumer, enterprise, industrial and infrastructure markets which will readily connect its end-users with millions of devices across the globe. Branded as Tron X, it is equipped with data analytics and cloud sourcing capability and promises to provide a wide range of offerings on the enterprise side. "For enterprise, with our security features, our offerings are ideal. The enterprise always requires controlled data environment and our software enables that. At the industrial and infrastructure levels, they look for extreme functionality and reliability. We offer a level of customization that is unheard of in the industry thanks to our in-depth understanding of the supply chain environment," emphasises Narsi Reddy, co-founder and managing director of the company.

The USP of Tron X is clearly going to be its ability to facilitate new age and smaller companies to indulge in hardware innovations using the platform as the base. For such enterprises, access to the marketplace and connectivity to the larger world without any compromise in their uniqueness and security often turn out to be stumbling blocks. "Our platforms are able to offer both. Our integration runs deeper and we are working with many such people to bring the devices to be part of our ecosystem. This is sure to kick-start a revolution as Smartron can provide solutions for these entrepreneurs," Rohit Rathi, co-founder & president, Smartron India, adds.

After basic products and an open, secured platform, the third level of Smartron's IoT portfolio would comprise its unique range of services. For instance, it is working in the area of remote management of plants and factories using sensors developed by the company. Needless to say, a back-end team will be constantly keeping a tab on such units resorting to remedial measures urgently

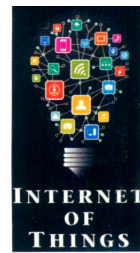
if some malfunction is noticed in the system or there is any alert sent by its sensors. On a much broader basis, the company's R&D unit is looking to develop sensors which would not only point at a fault but also pitches in with a solution. "What if our health monitoring device not only tells you about your issues but also fixes up an appointment with a specialist over the internet protocol? We are looking at that level of penetration in terms of making life easier and smarter for our end users with our IoT offerings," Lagad claims.

Before the company launched its preliminary range of products, it was largely in a stealth mode and even today there is not much detailed analysis on its platform centric proposed initiatives, like facilitating hardware innovations. "Prima facie, what they are saying is doable. But it would be interesting to see what would be level of their integration across different platforms given the fact that there is no standard format for IoT," observes Shalil Gupta of IDC.

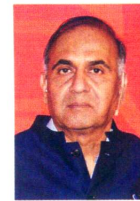
Smartron top brass, however, is exuding confidence that its game plan is without any serious fault line and is getting ready for a slew of launches – a new range of wearable health related devices (their pricing point will be cheaper vis-à-vis similar products is what company officials are confirming at this stage) is expected to be launched by the year-end, while the next year will see more products being pushed in the market – smart refrigerators and other such solutions (sensors responding to your gestures while sending command to appliances) for its smart homes portfolio, where Smartron wants to score big time. And considering the increasing integration with the marketplace, the company is also looking at a nearly three-time jump in its manpower (from the present base of 200) by the middle of the next year. It is also setting up its offices in the US and Singapore (which will be hub of its global operations) by October end – probably indicative of the fact that it would gradually develop its global markets connect even as it focuses more on the domestic turf in the preliminary years.

♦ RITWIK SINHA

ritwik.sinha@businessindiagroup.com



Narsi Reddy,
Smartron



Harry Lagad,
Smartron



Unique "smartron experience" built on innovative Internet of Trons™ platform.

t-store | t-cloud | t-care



Designed & Engineered in India