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Updated: Aakash 2 Manufactured In China And Not India: Report; Datawind Refutes Allegations

Apurva Chaudhary

Update: New York Times' [India Ink](#) confirms that Datawind indeed does only sales of the tablets. Li Junhao, the president of Trend Grace, one of the claimed Aakash 2 tablet manufacturer, said that the tablets they sold to Datawind are 'ready to sell' tablets and that they bought the tablet parts from China and assembled them in China. India Ink were also able to confirm the same from two other Chinese manufacturers.

November 26, 2012: Aakash 2, the second iteration of the Indian Government's ambitious low-cost education focused tablet project in partnership with Datawind, is amidst a new controversy. A report by [Hindustan Times](#) claims that Datawind, the company who was supposed to have designed and manufactured the device for the government, just procured these devices off-the-shelf from manufacturers in China for \$42 or Rs. 2,263.

According to the report, Datawind sold these tablets to the government exactly at the same price at which they procured them. The tablet is being distributed to students by Datawind at government subsidized cost of Rs 1,130. Documents reviewed by HT show that Datawind bought more than 10,000 tablets made in China from [four manufacturers](#) in Shenzhen and Hong Kong — Kalong Technology Co., Ltd, Dasen International Electronics Co Ltd, Trend Grace and Shenzhen Shetong Zhaoli Co Ltd. These tablets were bought between October 26 & November 7 and were shipped to India duty-free as they were meant for school students under an HRD ministry program. IIT-Bombay had issued a certificate dated October 29 for importing about 20,000 tablets into India.

Datawind vs VMC Systems: The report also states that Datawind's manufacturing partner, VMC Systems, had not manufactured any tablets in last couple of months in their facilities in Delhi and Amritsar. VMC Systems assembled about 20,000 tablets for Datawind, by importing components from countries like China and Taiwan. VMC System halted the production since Datawind did not make any payments. Datawind had picked up VMC Systems to assemble the tablets in India, replacing its previous supplier, Quad Electronics.

Datawind has refuted the allegations: Suneet Singh Tuli, CEO of DataWind, has however, denied the charges and has claimed that Datawind had designed Aakash 2. Tuli also said that for expediency sake, the motherboards were manufactured in one of the Chinese subcontractor's facilities and then the units were 'kitted' in China at various manufacturers for expediency, but the final assembly and programming took place in India. Datawind has now issued a statement refusing the charges:

Datawind is a design house that develops products and software. In the past we have developed a pocket internet device (Pocket Surfer) and net books such as our award winning seven inch and nine inch models which were sold worldwide. For these we developed all the printed circuit boards including the CPU motherboard and developed the software that runs on these CPU's including our revolutionary compression technology that compresses data by an order of magnitude over anybody else so that it can run on the current net works in India. Our key technological advantage is that we provide high speed internet access over the networks that are prevalent in rural India and our dream and

goal is to provide the common man in India with low cost Internet. Our business model is similar to that of Apple where we use subcontract manufacturers to build our products. So, these are built in facilities of our contractors.

Anybody wishing to verify our technical competency can do this simply by checking the many dozens of patents we've received, on the U.S. government's Patent & Trademark Office: <http://tinyurl.com/d6o5283>. We launched our low cost tablets in India a year ago which was and still is the lowest cost tablet in the world. These were built in India including all the circuit-boards in Hyderabad. This was based on a 360 Mhz Arm CPU. The next generation to that had an 800MHz Arm Cortex A8 CPU and all the boards were made in Hyderabad also.

The primary difference between Aakash 1 and 2 is the Capacitive Touch Screen. This is the most expensive and important element and this product is manufactured in our Montreal facility (Videos are uploaded on Youtube: <http://youtu.be/8A39Yasa5fo> and http://youtu.be/-vi6_94Mm8M) which has been visited by representatives of IIT. This is one of the primary reasons why our devices are lower cost than others, as we use a proprietary technology. The Aakash2 uses the All winner A13 chip, which has become the standard among low cost tablets. The software and mechanical parts are developed by us and the motherboards utilize our approved designs based on A13 reference. The media are welcome to visit our Montreal facility where this is done and we are happy to disclose our designs on a confidential basis.

For the first 10k units for IIT, and for expediency sake we had the motherboards and kits manufactured in our Chinese subcontractor's facilities, and then the units have been 'kitted' in China at various manufacturers for expediency, whereas the final assembly and programming has happened in India. This was well discussed and we got approval prior to shipping. The initial devices were assembled and programmed at our facilities in New Delhi and Amritsar. We finished this batch of 10k units and delivered them to IIT and will be starting another batch of 20k units for them in two weeks. The media are welcome to visit when we do this batch. We also have four partner manufacturers across India that will work on the deliveries to the government but we just couldn't get them started to assemble our new Aakash2 units in time but they will start to ship early in December.

Further to this, we're setting up our second touch screen facility in India, which is going through pilot right now. The full clean room facility will be up and running in another month. We will be producing a press release at that time with tours.

We have been strong proponents of developing a manufacturing base in India, and our actions continue to reflect this. It looks like these allegations are a desperate attempt by somebody to sabotage the image of India, and we would urge you not to fall prey to such attempts.

Datawind vs Quad Electronics: MediaNama had earlier [filed](#) an RTI on the original Aakash Tablet and it was learnt that Datawind had placed an order for 50,000 tablets with Quad Electronics Ltd, Quad produced only 20,000 and Datawind took only 10,000. 2000 tablets were provided to IIT Rajasthan for testing before October 5th 2011, after which Datawind stopped taking tablets from Quad because of poor performance. Out of the 6440 tablets supplied to IIT Rajasthan, only 650 tablets were accepted. Quad Electronics had [sued](#) Datawind in April 2012 for non-payment of \$1.12 million against dues outstanding and inventory procured for DataWind.

The Indian Government had unveiled Aakash 2 on November 11 and Datawind had announced that they will be providing 100,000 units of Aakash 2 to IIT Bombay in the first phase, which in turn intends to distribute these tablets to Engineering students across various colleges and universities. However, the goal appears to be far from reality. For its first installment, IIT Rajasthan had distributed 572 of the 6640

Aakash Tablet devices received by Datawind, the college said, in response to a Right To Information [request filed by MediaNama](#).

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