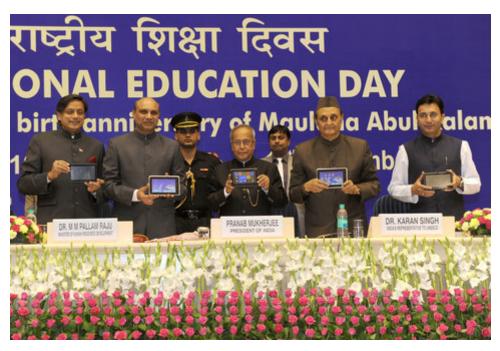
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India's 'Aakash,' Now Made in China

By PAMPOSH RAINA and MIA LI



Sanjiv Misra/Agence France-Presse — Getty ImagesPresident Pranab Mukherjee, center, holding Aakash 2, the upgraded version of the Aakash tablet, at a function in New Delhi, in this Nov. 11, 2012, file photo.

NEW DELHI/ BEIJING—The launch of India's low-priced tablet computer, Aakash, was praised by the government as a "milestone in history," to be "recognized by future generations," in part because of its "Made in India" label.

But some of the most updated versions of the tablet, Aakash-2, which was unveiled Nov.11 by President Pranab Mukherjee of India, have been designed and manufactured in China, according to officials at Chinese companies and documents reviewed by India Ink.

DataWind, the Canada-based company that won a government contract to produce the first 100,000 Aakash tablets, which are bound for India's colleges and universities, "does only sales," said Li Junhao, the president of Trend Grace, a company based in Shenzhen that is one of several Chinese manufacturers making Aakash-2 tablets, according to invoices sent to DataWind that were reviewed by India Ink.

"The tablets we sell to DataWind are ready to be sold. They are finished, ready-to-use products," Mr. Li said in a telephone interview. He added: "All parts are made in China. We buy the touch screen from a Chinese manufacturer and make the rest of the parts ourselves. We then assemble the tablets into finished products."

Executives from two other Chinese companies who were interviewed also said they assembled Aakash-2 tablets in China.

1 of 3 05/17/2014 07:27 PM Suneet Singh Tuli, the chief executive of DataWind, said in an e-mailed response to questions that some of Aakash's components were made in China, but that the assembly and product design were not handled there.

"The current Aakash-2 product is designed by us," Mr. Tuli told India Ink in an e-mailed response to questions Saturday. He said the touch screen of the tablet was being manufactured by DataWind's facility in Montreal, Canada, and that his company had designed the software, mechanical parts and motherboard.

For a first shipment of 10,000 Aakash-2 tablets, sent to the Indian Institute of Technology Bombay in recent weeks, "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," Mr. Tuli said. The assembly and programming of the units was done at DataWind's facility in Amritsar and at a Delhi office, he said Monday.

The Aakash project has been marred by delays, controversy and infighting for more than a year. Its original premise – that India could make a cheap (priced at less than \$50), durable piece of technology for the country's millions of students – has become something of a matter of national pride for residents and pro-India boosters around the world. The fact that the Aakash-2 is actually, at least for now, coming from China could be a blow to India's attempts to position itself as a world leader in cheap innovation.

Each tablet will cost the government 2,263 rupees, or \$42, and students will get a version that is subsidized by 50 percent, the government has promised.

India Ink has reviewed invoices from four different Chinese companies, drawn between Oct. 26 and Nov. 7, toward the purchase of "A13" tablet computers by DataWind Innovations in India. The total number of tablets ordered from the four companies is 11,000, with the price to DataWind ranging from \$42 to \$42.86 each.

A reporter in Beijing contacted the four Chinese companies listed on the invoices addressed to DataWind. Three confirmed that they manufactured tablets for DataWind. The fourth company, Shenzhen Shitong Zhaoli Technology, operating in Guangdong Province, did not respond after repeated requests.

An executive from Kalong Technology, which operates from Hong Kong, also said that his company had manufactured at least 500 A13 tablets for DataWind. A project manager with Kalong Technology, Mr. Liu, who spoke on the condition he not be identified by his full name (Liu is a very common surname in China), said: "All parts are manufactured in China. We assemble the tablets and load Android operating system on them."

He also said that DataWind provided the design for the tablet and added its own software onto the tablets.

The third company, Dasen International Electronics, also based in Shenzhen, said that Datawind had purchased 4,500 tablets from them in three separate batches. The components of the tablets are made and assembled in China, but the two companies "work out the design together," said a project manager with Dasen, who also spoke on the condition he not be identified by his full name.

"Our tablets don't have any software on them. Datawind takes care of the software," the project manager said.

I.I.T. Bombay, the university spearheading the project in India, told India Ink that DataWind had a

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contractual obligation to deliver the entire batch of 100,000 tablets by Dec. 31.

The professor leading the project at the engineering school, Deepak B. Phatak, said that the specs of the Aakash-2 tablet had been upgraded once again in August. Since Datawind's original subcontractors in India could not deliver the tablets, a batch of 10,000 tablets had to be shipped from China in time for Mr. Mukherjee's presentation this month, he said.

The new specs include upgraded RAM of 512 MB, a 1-gigahertz processor and an operating system upgrade from Android 2.2 to 4.0.

India Ink contacted all four subcontractors of DataWind in India. VMC Systems, in Secunderabad, Andhra Pradesh, which has been working with DataWind since late last year, confirmed that it was manufacturing tablets for the company but did not provide any further information.

The first few hundred tablets that DataWind shipped to I.I.T. Bombay, earlier this year, were assembled at VMC's facility in India, several people working on the project said.

An executive from another subcontractor based in Noida, on the outskirts of Delhi, confirmed that his company had been working with DataWind since August, but asked that the company not be identified, because he said he did not want publicity. The company has not yet started production, but they plan to ship a few thousand tablets to DataWind next month, he said, and then ramp up their production. This is the company's first-ever contract for manufacturing tablets, he said.

Digital Circuits, another vendor of Datawind's in Bangalore, signed an agreement to produce tablets in August. The managing director of the company, Subhash Goyal, said that they had not produced any tablets for DataWind so far. He also told India Ink that his company had no experience manufacturing tablets in the past.

A fourth company, Vinyas Innovative Technology, from Mysore, said that they were also producing tablets for DataWind. A marketing executive from the company said he did not have the authority to say if any tablets had been shipped to DataWind from their facility.

Mr. Tuli said in an interview last week that the combined production capacity of the four subcontractors and DataWind's assembly facility in Amritsar, Punjab, stood at 3,000 units a day.

If DataWind is unable to supply the required 100,000 tablets to I.I.T. by the end of the year, it may face legal action for breach of contract. I.I.T. Bombay sent the company a warning letter to that effect last week.

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