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The storm behind DataWind's Aakash tablets

Didn't promise it would be made in India, says manufacturer

Mumbai, Nov. 30:

A raging controversy over the provenance of Aakash tablets, rather than their quality or affordability, has taken the country by storm. This is more of a perception issue, experts say, and it is unlikely to derail India's attempt to empower millions of its poor students with low-cost and subsidised tablets.

The furore erupted after a section of the media reported that DataWind, Aakash's manufacturer, had procured the devices off the shelf from China for \$42 a piece.

DataWind denied it, but added that the motherboard and kits for the first 10,000 units of Aakash 2 were manufactured in China "for expediency". The final assembly and programming was done in India.

"I think what people had the impression was that Aakash is an indigenous and low-cost device that is completely made in India, and the whole controversy revolves around this. The issue, according to me, is a mismatch in presentation versus perception," Vikram Dhawan, director at wealth management firm Equentis Capital, said.

Media reports said DataWind bought the tablets from at least four manufacturers -- Dasen International Electronics, Shenzhen Shitong Zhaoli Technology, Kalong Technology and Trend Grace Ltd – and had not produced the tablets in the country.

NO COMMITMENTS

However, DataWind denied there were any commitments on its part to manufacture the tablets in the country.

"Although we are big proponents of manufacturing in India, and there are significant efforts to enable numerous manufacturers to be able to produce tablets in India, there was no commitment to make the product in India," DataWind Chief Executive Officer Suneet Singh Tuli said in an e-mail reply to *Business*



Line.

The box of the Ubislate series tablets manufactured by DataWind also did not mention that the devices were 'Made in India', he said.

DataWind also said the circuit boards for Aakash 1 and Aakash 2 were built in Hyderabad. The capacitive touch screen, which is the most expensive element in Aakash2, is being manufactured in Montreal, Canada.

Tablet makers across the globe source their components from low-cost destinations such as China and Taiwan, while the operating systems (OS) in most devices are sourced from larger players. According to industry analysts, Android is the most common OS on most tablets.

This is the second time DataWind is running into a controversy. Earlier the company failed to provide the devices (Aakash 1) to as many as one lakh students across the country, under a government initiative. While the distributor, Indian Institute of Technology (IIT) – Jodhpur (Rajasthan), alleged that nearly 7,000 tablets it received in February did not pass specifications, DataWind countered it stating such specifications were never mentioned in the tender.

The Government later gave the distribution responsibility to IIT-Mumbai, putting an end to the controversy, with institution agreeing to supply the second version, Aakash 2.

Earlier this month, Tuli in an interview with *Business Line* said, the company had made many mistakes trying to make a difference and added that "but I have left them behind".

OUTSOURCED COMPONENTS

"At least 50 per cent of components of products with a 'Made in India' tag, especially electrical products, are sourced from China. Many of the large Indian manufacturers also source components from Chinese, Japanese or Taiwanese markets to contain costs," said Prashanth Tapse, Associate Vice-President (Research) at Mehta Equities Ltd.

Aakash, meaning 'sky' in Hindi, was seen as India's marvel in the technological space, and hence the sense of disappointment.

On Wednesday, the tablets also received the United Nation's endorsement that it would help in revolutionising education.

"It was thought of as the Tata Nano of computers. At a time when tablet prices are high, a device that cost just Rs. 3,500 and even lesser for students, was again an engineering marvel like the Nano," Tapse said, adding the tablet is not a professional device, but good for educational activities.

However, the device, priced at \$35 at launch, would give youth the chance to adopt the digital medium for education rather than the more expensive desktops and laptops.

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