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We have made many mistakes, but I've left them behind: Datawind CEO

Suneet Singh Tuli, CEO, Datawind

As many as one lakh students across the country were supposed to have Aakash tablets by now under a Government project. But this has not happened due to differences between the tablet manufacturer Datawind and its distributor Indian Institute of Technology (IIT) – Jodhpur (Rajasthan).

According to the institute, nearly 7,000 tablets it received in February did not pass some of required specifications. However, Datawind said such specifications were never mentioned in the Government's tender.

After a good three months of arguments, the Government gave the responsibility to IIT-Mumbai, which is currently working on the improved product named Aakash-II, and has distributed around 20,000 units to students. Suneet Singh Tuli, Chief Executive Officer, Datawind, in an interview with *Business Line* shares his learning and talks of what is on offer in future. The Aakash-II will be launched by President Pranab Mukherjee on Sunday. Excerpts:



What are the learnings you received and how confident are you of Aakash 2.0?

The learning I have received is that when the customer and the reviewer are not same, you are going to be criticised.

To be successful in India, you have to be willing to perceive that. We have made many mistakes trying to make a difference, but I have left them behind.

Business is strong now. Consumer demand is greater than what we can fulfil. It is better to have more demand than supply.

We are delivering around 2,500 units a day and we get pre-bookings of 5,000-6,000 units every day.

We now have four contract manufacturing relationships, one each in Delhi, Hyderabad and Bangalore, and including our own facility in Amritsar, where we started operations few weeks ago. We will continue

to expand as when required. We prefer not to name our assemblers because putting out the name has not been good from the earlier experience.

How long will you take to meet the Government's demand of one lakh units?

We are catching up. Because it got transferred to IIT-Mumbai, it took longer. We aim to deliver the remaining 80,000 units by December-end. The Government is coming out with another tender of around 50 lakh tablets and we are hopeful of getting a percentage.

The Government is one of our customers, but not big as of now. We have around 40,000 units of Aakash-II booked by consumers and we are meeting those demand as well. We have already supplied around three lakh units to consumers.

How strong is your Amritsar plant and how many units are you manufacturing from there?

We are manufacturing around 2,500 units every day and by December we will ramp up to double this size so that around 10,000 units are made each day, including other sub-contract manufacturers. We are setting up a fabrication unit in the plant for the touch panels. It should be ready in the next 30 days.

Our intent is to set up as many contract manufacturing arrangements as per requirement, because to scale up the numbers of tablets, these could do faster than we will be able to. Our business is traditional manufacturing services just like Apple – design, develop and own the technology – we sub-contract for manufacturing or assembling the products.

What investment have you made there?

We have invested around Rs 40 crore and hired 120 employees. We will continue to invest more in capital like inventories and plan to hire 10 times more people in the next two years.

What are other future plans?

We helped create a market of Rs 6,500–7,000 a tablet that cost Rs 15,000–20,000 a year ago by companies such as Micromax and Lava. We are selling our product at Rs 2,263 to the Government and for Rs 3,500 to the consumers. Computing/ Internet has arrived in India, which could leave behind the telecom revolution. We will continue to push the price pressure because we are sure those at the bottom of the pyramid need such products at such prices. We are getting a margin of less than 10 per cent from the Government deal and around 15 per cent from the consumers, but we do not mind that.

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