

## India Rolls Out Cheap, Handheld Computer This Month

Last Updated: July 05, 2002 05:19 AM ET

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By Anshuman Daga

BANGALORE (Reuters) - India is ready this month to roll out its \$200 "Simputer," a handheld computer aimed at wooing the poor across the digital divide.

"The waiting period is almost over. We are near the take-off stage," Vinay Deshpande, chairman of Encore Software Ltd, one of two firms with licenses to make the device, told Reuters late on Thursday.

The Simputer -- short for simple, inexpensive and multilingual computer -- was launched in April 2001 by the non-profit Simputer Trust, formed by officials at Encore and professors from Bangalore's prestigious Indian Institute of Science to license designs of the device.

The Simputer, which has been delayed by funding problems and marketing concerns, aims to help India's poor and rural folk who cannot read or write, but high-end users and overseas buyers have also been wowed by its features.

Resembling trendy handhelds such as those built by Palm Inc, the Simputer has easy-to-use applications including voicemail, text-to-speech capabilities and Internet access.

Powered by an Intel StrongARM processor, the Simputer runs off two 'AA'-size pencil batteries and comes equipped with 32 megabytes (MB) or 64 MB of random-access memory.

"In our trials, we found that 'one size fits all' doesn't work because it also means one price and one particular configuration," said Deshpande, an engineer educated at Stanford University in the U.S., who is a pivotal figure in the trust.

"We are now making a range of Simputers with different configurations and prices ranging from 10,500 to 23,000 rupees," he said. Equivalent to roughly \$214 to \$469, this figure compares to average annual Indian per capita income of about \$450.

Trial orders have come from state governments, consumer goods companies and co-operative banks, all of whom are pushing into rural areas, where two-thirds of India's population of one billion live.

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The Simputer, which answers critics who say India's software revolution has bypassed its poor, is expected to help spread their use in a country whose installed base of computers is barely six million.

India's desktop personal computer sales fell 11 percent to 1.67 million in the year to March.

PCs are relatively costly in India. At about \$200, the Simputer would be three times cheaper than a PC, and cost nearly the same as a cheap color television set.

"We are in the process of making about 200 Simputers this month and about 1,300 to 1,400 by September based on potential and existing orders," Deshpande said.

Using free-to-use Linux software, the device allows personal data to be stored through a smart card, so enabling many users to share it.

Sales of the Simputer are likely to rise to 50,000 by late 2003, Deshpande said.

"The profit is not in delivering hardware but solutions (for end use)," Deshpande said.

"We are tying up with software developers who'll make applications and we'll deliver that box with the solutions."

Trial sales have already been made to a number of countries including Sweden, Australia, France, United States, he said.

Encore plans to cater to overseas sales of the Simputer through a separate company based in Singapore.

It expects to conclude a tie-up within a month with a few large Indian information technology companies, who will in turn sell the Simputer to the lucrative mass retail market.

"We are too small to take the Simputer to the retail level ourselves," Deshpande said. "These firms will buy the Simputer in bulk from us and distribute and support the product."

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