

PM picks Nilekani to head national ID card scheme

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To step down from Infosys board on July 9.



Three weeks after celebrating his 55th birthday, Infosys co-founder Nandan Nilekani will step down from the board of Infosys Technologies, of which he is co-chairman, on July 9 to take over as chairman of the Unique Identification Authority of India (UIDAI), the government's ambitious project to provide every citizen with a unique biometric identity card.

Nilekani, who was selected by Prime Minister Manmohan Singh, will hold a post equivalent to the rank of a Cabinet minister.

The project — for which a Rs 100 crore pilot was announced by Pranab Mukherjee in the interim budget on February 16 -- provides the underpinnings of the United Progressive Alliance government's election promise of delivering services more efficiently to citizens below the poverty line.

The project will eventually become the basis of the Citizens Smart Card Project, recommended by the Second Administrative Reforms Commission, to enable citizens to avail of subsidies on food, energy, education, etc., depending on their entitlements. Industry estimates put the size of the entire project at Rs 10,000 crore.

Most of the major IT companies like Tata Consultancy Services (TCS), Wipro and Infosys are tipped to bid for this project.

Nilekani and his family hold 3.45 per cent (worth Rs 3,472.55 crore at today's closing price on the Bombay Stock Exchange) in Infosys. Nilekani has said he may recuse himself from the bidding process if Infosys were to bid for this project.

"I will have a clear idea of the magnitude of work, and the nature of what will be exactly required in 2-3 weeks," Nilekani told Business Standard.

Nilekani co-founded Infosys with N R Narayana Murthy, now chairman and chief mentor, and five others in 1981, a story that has since become part of domestic corporate folklore. He has been its chief operating officer, chief executive officer and managing director (March 2002 and June 2007), and co-chairman of the board of directors.

"We are glad that an extraordinary individual like Nandan has got an opportunity to add value to India through this position. Infosys will accept his absence with a sense of duty to a larger cause, but with deep sadness at the departure of one of her most illustrious sons," Narayana Murthy said:

"We will definitely miss him," added S Gopalakrishnan, CEO and MD of Infosys Technologies, and a co-founder.

Apart from his role as board member and co-chairman, Gopalakrishnan said Nilekani was responsible for managing certain clients and overseas branding. "He was also spearheading some key initiatives we have taken up internally in terms of investment for the future. All his executive roles will now transition to other people with immediate effect," he added.

Gopalakrishnan did not, however, name who would replace him on Infosys

board.

An alumnus of IIT-Bombay from the 1978 batch, Nilekani, whose net worth is \$1.3 billion, has been active in public life. For instance, he is a member of the National Knowledge Commission (NKC) and also part of the National Advisory Group on e-governance. He is also a member of the review committee of the Jawaharlal Nehru National Urban Renewal Mission. He took over as the elected President of NCAER (the independent, applied economics research institute in India) in April 2008.

Nilekani has also chaired the government's IT Task Force for Power.

"We are delighted by this news and congratulate Nandan Nilekani on his appointment. This once again demonstrates the commitment of the UPA government to fast-track the implementation of their election manifesto, which had UID as a key project," said Som Mittal, president of software body Nasscom.

What are your thoughts on the project?

This is a project that has significant transformational capabilities. It will allow us to channelise all subsidies through the cards; it can promote financial inclusion; and it can help us provide social security.

Is this your entry into public life?

It is a well-defined project that plays to my background of 30 years in technology. It offers great benefits to the poor and in that sense is a win-win for everyone

Is there a conflict of interest, since Infosys could bid for some contracts under the project

I can understand the concerns some people may have, but I will bend over backwards to make sure all these concerns are taken care of. If need be, I will recuse myself from the tendering process to ensure there is no such conflict

What about Infosys without you?

I'm sure it will continue to do well.