Multibillion $ opportunity for IT cos

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A billion smart cards for a billion population. It throws up a multi-billion dollar business opportunity for domestic technology players.

The eco-system required to support the citizen ID card programme, proposed by the Unique Identification Number Authority of India (UIDAI), is expected to be vast — comprising of data collectors/managers, delivery channels, chip designers, smart card manufacturers, application and software providers, system integrators, networking analysts and print companies.

Some estimate it will create at least a 100,000 additional jobs in the country in the next three years. An ancillary industry will also come up around this eco-system. The entire ID card project is estimated to be in the range of around Rs 10,000 crore, with the first phase — which will cover ultra urban, urban, and semi-urban populations — offering a Rs 6,500 crore business opportunity.

Companies like TCS and Infosys have confirmed that they will actively bid for the project. TCS has already been working with the government on projects like e-passport, Gujarat police and the defence ministry. "Since it is going to be an open bidding process, we will be bidding for it," said a senior official at TCS.

"The entire process including the bidding process, deal negotiations and business evaluation, are expected to be transparent. There will not be any conflict of interest for us and therefore we will participate in the bid," said a senior official at Infosys. Some 27 large e-governance projects worth Rs 40,000 crore are currently in the pipeline. After having been badly hit by the global meltdown, many tech leaders have been urging the government to accelerate these projects to induce economic buoyancy and create fresh jobs. The UIDAI comes as a quick response to the industry's call.

Som Mittal, president of IT industry body Nasscom, was clearly delighted by the government's move: "The project is a transformational project for the country as it will overlay many underlying projects, creating huge efficiencies for the country leading to enhanced governance and reduced costs.