

Pvt Cos Team Up to Bat for Aadhaar in SC

Standing Firm



A clutch of private firms which extensively use Aadhaar KYC have filed a petition in the court arguing for continuity of the unique identity project



A group of 50 cos consisting of fintech firms, lending cos, etc have also formed a group called **'Coalition for Aadhaar'** aimed at promoting the cause of the project

The petition, filed last week, comes ahead of the **final hearing on Wednesday in the SC** which will decide on the validity of Aadhaar

There are over **300 private cos** which use Aadhaar's KYC and authentication services and will be impacted in case of an unfavourable ruling

Joint petition lists out the advantages enjoyed by digital companies on account of Aadhaar

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New Delhi: A group of private companies have appealed to the Supreme Court seeking continuity for the country's citizen identity programme — Aadhaar — ahead of the crucial hearing in the apex court about the validity of the project on Wednesday.

The petition filed by the Digital Lenders Association of India (DLAI), which includes startups such as CapitalFloat and

LendingKart, is also backed by others such as early stage investment firm Khosla Labs, bike-sharing startup Yulu Bikes, Transaction Analyst, which provides authentication services, and Handy Online Services which provides background verification of blue collar workers. The joint appeal — filed last Friday at the Supreme Court — lists the advantages offered by Aadhaar to the digital companies, particularly the e-KYC feature which allows real-time verification of customers. "It is not just the government which is using Aadhaar but private entities are using (it) in a very big way. Lots of small companies, which are the backbone of the economy, are creating innovative solutions by using Aadhaar," said Srikanth Nadhamuni, CEO of Khosla Labs, a co-applicant in the petition.

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Petition not yet Accepted by SC

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A legal expert who spoke to ET on condition of anonymity said the petition is an "intervention application" and has not been accepted, so far, by the apex court; neither has any notice been issued. "Whether it is heard tomorrow (on Wednesday) or later is an open question," the person said. ET has viewed a copy of the petition.

Nadhamuni, who has also served as head of technology for the Unique Identification Authority of India (UIDAI), said, "many companies felt that Aadhaar is a very "positive" and beneficial thing, and hence the group came together to voice support for its continued service which many companies have now come to depend upon.

In addition, a group of 50 companies consisting of fintech firms, lending companies, verification agencies — mostly agencies which use Aadhaar electronic KYC and authentication services — have formed a group called 'Coalition for Aadhaar' and view the petition as the first step in a long-term strategy aimed at promoting the cause of the unique identity project.

"Coalition for Aadhaar is a set of entities outside of the governmental sector, (that is) private companies which strongly believe in the power of Aadhaar and in its ability to positively impact Indian society and the economy," Saranya Gopinath, spokesperson of the Coalition.

A proposal to file a petition supporting Aadhaar was also considered during a recent meeting of the Indian Banks Association, according to people aware of developments, as some of the country's largest Banks have been the beneficiaries of the e-KYC service.

There are over 300 private companies which use Aadhaar's KYC and authentication services, according to industry estimates.



Even as the petitioners highlight the business benefits accruing to the industry from the unique identify project, activists are objecting to mandatory linking of the Aadhaar number to a host of services from banking to telecom and personal investment services like mutual funds and insurance, fearing what they term as poor security protocols within the system.

Kiran Jonnalagadda, co-founder of the Internet Freedom Foundation said that he is not surprised by the petition. "Since

it (Aadhaar) helps companies overcome the KYC barrier and reduces the cost to less than Rs. 10, it is of some value for the industry, but I am also disappointed that they don't acknowledge the problems with Aadhaar," he said.

Last week, The Tribune reported that demographic data linked to Aadhaar identity number could be accessed for as little as Rs 500.

The UIDAI denied the charges but subsequently announced a series of steps to strengthen security of the database. It has blocked open access to the database for over 5,000 officials and amended its system to allow access only through biometric verification of the person whose details are sought. UIDAI has also unveiled a new system of virtual ID and unique tokens to prevent creation of parallel databases with the Aadhaar number. These new security measures come into force from June. On Monday, UIDAI also launched another layer of authentication using face-authentication.

Alok Mittal, CEO of Indifi Technologies which is part of the DLAI said there was an "overwhelming response in favour of filing the petition," within the 38-member grouping.

"Especially for digital lenders, there are already significant number of individuals and small and medium enterprises which have been brought within the ambit of financial inclusion because of the facilities of electronic KYC," he said.