'Aadhaar perhaps most widely held ID in India'
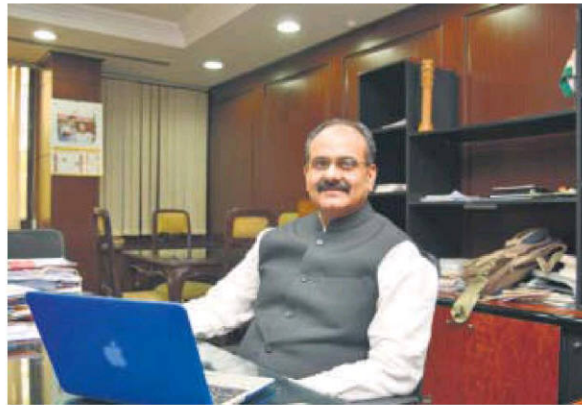
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CNBC-TV18

It is a "cause for concern" that specific instructions stating that benefits will not be denied to people who do not have an Aadhaar number or will be given on the basis of alternative means of identification are being violated on the ground, said Ajay Bhushan Pandey, CEO, UIDAI. "We will have to re-emphasize those instructions and also we will have to tell all these organizations that at a ground level if any violation is found, the person who is not following the instructions should be punished," he said in an interview. Edited excerpts:

Let me start by asking you about the big problem and that seems to be around a trust deficit. Why should the Aadhaar card be made mandatory for somebody who doesn't want to link it to their bank account, who doesn't want to link it to their mobile number? What is it in it for the consumer that government has failed to explain very clearly and articulate that very clearly to the country?

Let me explain to you that this Aadhaar programme was started in 2010 and since then we have given Aadhaar to more than 1.2 billion people now.

Today, Aadhaar is perhaps the most widely held identity in our country. If you take any other identity for example, how many people have passports? Maybe about 5 crore. How many people will have permanent account number (PAN) cards? Maybe around 30 crore. How many people will have a voter ID card? They will have again certain numbers.

The other problem that used to happen is that even though somebody had an ID, that ID was only a domain specific. For example, if you have a voter ID card, you will be using it for voting purposes but it was also being used as a proxy identity card for something else because there was no nationally accepted identity card in our country. For example, if someone from Tamil Nadu brings a ration card written in Tamil and if he wants to live in Delhi, would he be able to get any services based on his Tamil Nadu ID card or even Tamil Nadu voter ID card, so this was a big problem for the people within our own country that in one part of the country he was having an identity and the moment he moved out to some other place, he becomes identity-less. Therefore this whole Aadhaar came.

This Aadhaar was to empower people and empower people with an identity through which he can prove his identity anywhere anytime. For example, he wanted to open a bank account, so he goes and gives his Aadhaar number and then he proves his identity and he is able to open a bank account. In this manner, first it was being used for removing the ghosts and duplicates and fakes.

Now the second part came, which was that our whole system—if you see the incidents of black money, terror financing, if you see that problem, during the last 15 years, a number of committees were constituted. Even by the Supreme Court for example, Justice M.B. Shah Committee on black money—they clearly held in 2009-10 that there is a need for a central identity through which the duplicate PAN cards and bank accounts can be weeded out because it was found that in some cases, completely fictitious PAN cards were generated, completely fictitious bank accounts were also opened. Shell companies for example, you have layers of shell companies where the real person whose identity was not known.

The reason to make the Aadhaar card mandatory is to eliminate black money, is to eliminate shell companies from the system. Is that the reason why the government has chosen to make Aadhaar mandatory?

Exactly, because the Aadhaar has been made mandatory for PAN card by the Income Tax Act. So naturally the income tax wants to ensure that the tax evasion, which used to earlier take place and also the recommendation of M.B. Shah committee, this whole recommendation was made. Similarly, these money laundering rules were amended to make Aadhaar and PAN mandatory for opening the bank accounts.

There is also another usage. One is that the money laundering, terror financing, shell companies, black money—those are the problems. Also what we used to see is that because of the lack of the infrastructure for verification of your identity—the people used to open bank account entirely in the fictitious name or in the name of the person who was not even aware that bank account was being opened. For example, somebody can make an entirely photo-shopped identity in the name of some other person, can open bank account, do a transaction of millions of rupees and then the whole tax burden will come on the real person. So this is for the safety of the persons themselves that they link their own bank account with Aadhaar.

> **Aadhaar was to empower people and empower people with an identity through which he can prove his identity anywhere, anytime**

Why is this government in such a big hurry? Let the matter be heard in the Supreme Court, let the Supreme Court decide whether it should be made mandatory or not...

The Supreme Court is hearing on the issue of privacy. But so far as the Parliament as well as the government, have different jurisdictions. So the Parliament in its wisdom and that was also based on a solid ground research as I mentioned Justice Shah Committee and several other committees had gone to the issue of tax evasion, the black money and accordingly they decided to amend the income tax act and also the PMLA rules and make it mandatory.

You also asked me the question about telecom. In case of a telecom, the SIM card, the order came from the SC in a case which was filed by Lokniti Foundation, it was a PIL and in that PIL it was claimed that the people are getting SIM card issued either in the name of fictitious entities or in the name of somebody who is not aware that the SIM card has been issued.

Those SIM cards were being used for crimes.

Somebody gets kidnapped, when you try to trace that call, that person was not traceable or if traceable, he says I did not apply for the SIM card. So in that case, SC said that let each SIM card be verified with Aadhaar because in India, we have a very solid robust system and that is how this whole system came.

I would also like to give you a background that you in the beginning said that Aadhaar was for the financial inclusion and why this is being used for other areas.

I will give you a background. The US social security number was brought in 1935. It was after the Great Depression to help people so that people can be assisted so social security act has come in US and social security number was given. In 1942, President Roosevelt said that social security number will be mandatory for all federal programmes. In 1962, the social security number became their tax identification number equivalent to our PAN. Then in 1976, it became necessary for the drivers licences. Thereafter even for the bank account or your investment accounts, insurance, for everything social security number is required.

You are saying you are following US model?

No, what I am saying that these are the sound practices which are being followed in every advanced democracies of the world.

As you yourself pointed out that it was done in a phased manner, it wasn't linked to every service overnight which is not the case here in India. You are being forced now to extend deadline after deadline because of what is happening in court. Let me ask you about the denial of benefits because this is an issue which has caused serious amount of grief, anger and genuine pain. What is the incidence of denial of benefit on account of where you have an Aadhaar card, there is authentication as well but yet you have denied the benefit?

Let me say that so far as Aadhaar scheme is concerned, there is a statutory protection available to people under Section 7 of the Aadhaar Act where it says that no one shall be denied for the benefits.

So Section 7 of Aadhaar Act says that if a person does not have Aadhaar then he will be required to make an application for Aadhaar and till Aadhaar number is assigned to him, he will be provided benefit on the basis of alternative means of identification.

So the whole idea behind this was that in a country of 1.2 billion people, there will be some people who may not have Aadhaar or even if he has an Aadhaar, he may not be able to authenticate because there could be a problem, a connectivity maybe a problem, telecom connectivity could be a problem or maybe finger prints may not come or the machine may not work or there may not be a power connection.

So considering that these statutory provisions were made where it was said that the benefits are not denied and benefits shall be given on the basis of alternate means of identification.

However, we do hear certain complaints coming from the field which is very unfortunate and also very serious where we hear that some people particularly old age pensioners or people working in the rural areas went to a particular place, a bank and they tried to authenticate.

Who will be held responsible in that case because this is the matter that was brought up in the SC as

well? The cabinet secretary issued a circular in December 2017 reiterating what you just pointed out for us that there can be no denial of benefit, you had to force the EPFO to also quite literally issue a new circular saying you cannot deny benefits to pensioners but there seems to be confusion on the ground because people are continuing to be denied benefits. So who should I as a citizen hold responsible?

In such cases, let us say you have gone to a bank and bank is not following certain instructions—that particular branch is not following instructions—if you go and give your passport and he says, I will not accept this passport and then he doesn't give you a service, whatever is the grievance redressal channel within that organization—because it has been made very clear to that organization that they shall not deny.

Clearly it has not been made so clear. You are acknowledging that today, aren't you? You are acknowledging the fact that the instruction hasn't percolated to all agencies on the ground and this is a cause for concern?

This is a cause for concern.

What can you as the UIDAI do, what can the government do?

We will have to re-emphasize those instructions and also we will have to tell all these organizations that at a ground level if any violation is found, the person who is not following the instructions should be punished.

How many people have you punished so far?

In Jharkhand, we found that a lady who went to get a ration—her finger print worked but still the ration officer did not give her the ration and told her to come next day and unfortunately that lady dies. This is the case—I am not saying that this particular incident—even after Aadhaar authentication the benefit was denied. That was the unfortunate reality at the ground level that some people are so inhuman.

It is not just about inhumanity, it is also about the fact that people have not been able to make the transition, people don't understand the system. As you yourself pointed out in the US, it was done in a phased manner, why is India choosing not to evangelise Aadhaar before you link it to everything mandatorily and then you talk about the fact that it is an unfortunate incident?

> **More than 57 crore people have linked their Aadhaar numbers with banks and so far as the bank accounts are concerned, 87 crore bank accounts have been linked**

Unfortunate incident—if you see the total number of Aadhaars which are being linked to the bank account—more than 57 crore people have linked their Aadhaar number with the banks and so far as the bank accounts are concerned, 87 crore bank accounts have been linked. So the people have linked.

Only the complaint here are certain isolated cases of complaints where the people at the ground level are not aware of those instructions so we have re-emphasized to the concerned departments and also the bodies. For example the Reserve Bank of India (RBI). We have been requesting to the RBI, also to the banks saying that please don't deny and if any of your lower bank officers do not follow the instructions, you should hold them accountable.

Like in case of Jharkhand, where the PDS shop owner denied even after the Aadhaar authentication and we requested Jharkhand government to take action and the Jharkhand government has taken action.

So I think one step is that these instructions have to percolate down to everyone so that no one is denied and if anyone who violates, strict action should be taken and that is where we would like to pursue the matter.

Ajay Bhushan Pandey, CEO, Unique Identification Authority of India. RAMESH PATHANIA/MINT

INTERVIEW