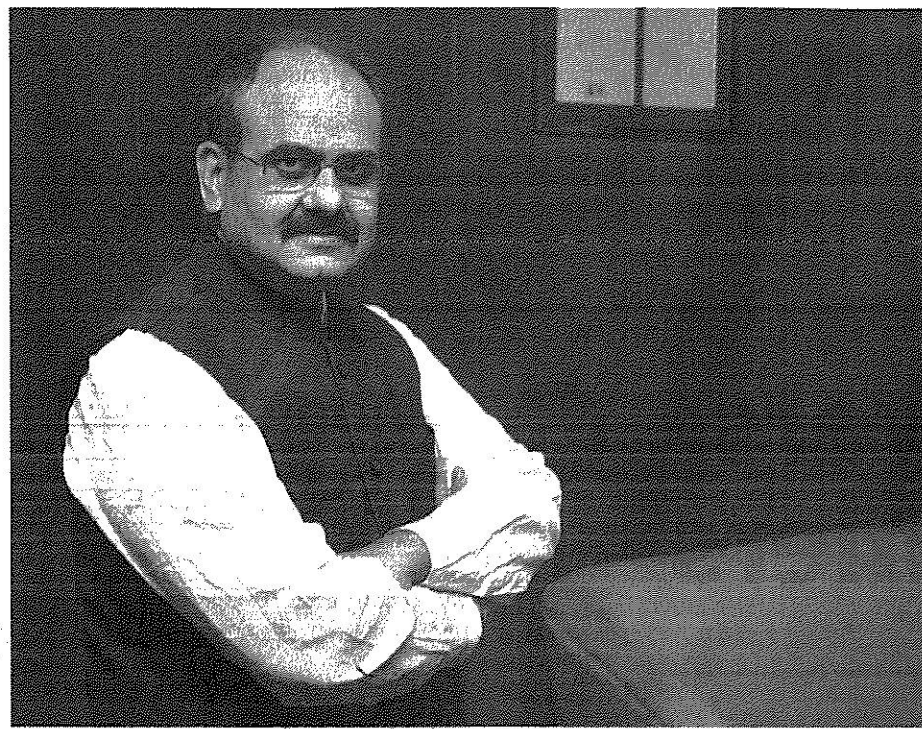


'Working with various stakeholders. We don't want India's digital journey to get hampered'

Shereen Bhan
CNBC-TV18

With the Supreme Court curbing the usage of Aadhaar while upholding its constitutionality, attention has turned to what banks, telecom companies and financial technology firms can and cannot do with the biometric ID. In an interview, Ajay Bhushan Pandey, chief executive officer of the Unique Identification Authority of India (UIDAI) says fintech companies and third parties can use offline Aadhaar authentication to verify users, adding this has been cleared by the attorney general. Telecom companies have sought 2-3 months to devise an exit plan, Pandey said. Edited excerpts:



Ajay Bhushan Pandey, CEO, UIDAI

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It has been a little over two months since the Supreme Court order which curtailed the usage of Aadhaar. I want to get a sense from you on where things stand now and your view on deletion of logs beyond the six months period, what is the status check on that?

To say that the Supreme Court has curtailed the use of Aadhaar needs to be qualified. SC has said that the whole Aadhaar scheme is constitutional, it does not violate the privacy. It meets the concept of constitutional trust, good governance and digital privacy. It also said that Aadhaar project is unique, it is unparalleled and also it is a document of empowerment.

So, having said that, it has also held section 7 of Aadhaar Act where it has said that for all subsidy schemes Aadhaar can be made mandatory with the qualifier which is there in the Aadhaar Act itself where it said that if the finger print doesn't match, should that person be denied? Our Act also says that it should not be denied. The SC has struck down a part of Section 57. It says that if there

is a private contract, where there is no public interest and it is being done by a third party, that is where the SC has said that is unconstitutional.

So, what we have done is, we already have the list of the people who were using Aadhaar for various purposes, so from that we have figured out that who are these people who should not be using Aadhaar as such.

Who are the people who should not be using Aadhaar?

For example, SC has said about the telecom companies. So, we have told the telecom companies that here is the SC order. Now the SC order is public, so everybody is supposed to follow the order. So, in that particular case we have told the telecom companies, similarly there are some other private companies, so we have told everyone that here is the Supreme Court order, please follow the Supreme Court order and give us an exit plan.

Now that exit plan—the provision provided in the Aadhaar regulation itself. Why there is a need for an exit plan? Because once you are rolling out certain services, for example in

case of a telecom company, they were giving sim cards on the basis of the finger print - Aadhaar authentication, now they will have to make an exit from this whole system and for that purpose there has to be an exit plan. Exit plan is provided in the Aadhaar regulations.

So, have they come back with an exit plan? By when will the exit plan be put in place?

They have told us that they are already in the process of making that exit plan and they want some time.

How much time?

Some companies have asked for 2-3 months' time. So, this is the kind of time we have taken. We have taken the matter with the Department of Telecom (DoT).

DoT also just last fortnight has told them that this SC order has to be followed. The DoT has given them an alternative digital plan because the whole idea is that the people should not suffer because earlier if they were doing with Aadhaar, there should be

equally efficacious digital process through which people should be able to get sim card because this should not lead to going back to the paper age or stone age.

If you are given to understand by telecom companies that they require 2-3 months' time to be able to put this exit plan in place, who is going to monitor this? Will you monitor this, will the department of telecom monitor this, what is the timeline that we are working with to ensure that the order is actually complied with?

Wherever section 7 schemes are involved and where money is going via banks, banks as per SC order are entitled to use Aadhaar authentication.

Here there will be two agencies involved, one is the department of telecom and from the UIDAI's side, in fact both of us will be required to monitor that the Supreme Court order is fully complied with and that is exactly what we will do.

By when can we expect the telecom companies will be in compliance with the order? By the end of the year or will it

take longer than that?
It should be sooner than that.

What about banks because that is the other problem area?

As far as the banks are concerned, the SC has already said that for section 7 because the banks are also a via medium through which the subsidies are being transferred for example LPG subsidy is getting transferred to the bank accounts. Similarly you have a MGNREGA payments, you have scholarship, there are various pension payments, they all are section 7 schemes.

So, wherever section 7 schemes are involved and where the money is going through the banks, the banks as per the Supreme Court order should be entitled to use Aadhaar authentication and Aadhaar facility and in such cases they do not have to make that changes. However for those bank accounts for example tomorrow if you go or I go and I am not a beneficiary of any particular scheme, then in that particular case, nobody should require me to give my Aadhaar number for opening a bank account and that is what the banks are already doing.

Do banks have an exit plan that they have shared with you?

Banks' as such are not required at this moment because all the banks are also involved in the direct benefit transfer scheme.

Not every account holder is part of the direct benefit transfer scheme. So, if I did not want my Aadhaar to be linked but I was forced to have my Aadhaar linked, what is the status today?

In such cases what we have advised the telecom companies and other users of Aadhaar is that they need to give this facility to their account holders - whether it is a SIM card subscriber or the bank account, or pension or whoever account holder who is not receiving any benefit, he should be given an option that if he is able to replace his KYC with some other non-Aadhaar

document, in that particular case, he should be given an opportunity.

Is there any data today on how many people have initiated the process to want to exit from Aadhaar from either a telecom company, from banks, for their pensions, is there any data today on how many people have initiated that process?

We don't have this data, the telecom companies will have the data or the banks will have the data. We have told them that this is how they need to implement the orders of the Supreme Court.

Have you got any complaints that people have initiated the process but banks or telecom companies have not done the process?

No; we have not got any complaints so far.

Let me then ask you about a statement that you made and you clarified that service providers can use offline verification tools like e-Aadhaar, masked Aadhaar or QR code without access to biometrics; how is this not a violation of the Supreme Court order because it still is fundamentally linked to Aadhaar and you are talking about third party players, you are talking about fintech companies for instance?

'Some firms have told us that they are already in the process of making the exit plan (from Aadhaar verification) and that they want some time.'

The Supreme Court has clearly said in its judgement that Aadhaar authentication, if Aadhaar authentication where you put your biometric or you do through your online OTP, one time password pin which comes on to your mobile number if you all are verifying the identity through such means we call it an authentication. So, if you are doing through

authentication then there has to be some law, some law has to be there. Supreme Court has also said that however the individual is at the liberty to use his physical Aadhaar card, because everyone has been given an Aadhaar card now just imagine that in our country of 130 crore people, what we estimate is approximately 50-60 crore people will only have an Aadhaar card, no other ID document which can be recognized nationally.

For example, supposing a labourer from West Bengal if he comes to Delhi and Delhi he can't get any service on the basis of his ration card of West Bengal. But what his Aadhaar card which he got in West Bengal he can get all the services there so what the Supreme Court has done, Supreme Court has permitted voluntary use of Aadhaar card as such. So what is the offline verification? It is an electronic version of physical Aadhaar card. So, e-Aadhaar is an electronic Aadhaar. An electronic Aadhaar can be offline verified. Offline when I am saying is that it can be electronically verified but without ping the Aadhaar servers. So what happens is supposing if you take your electronic Aadhaar go to a bank, bank will be able

to verify the digital signature of that electronic Aadhaar, should be able to provide you the service because you have volunteered to use your electronic Aadhaar which is permissible as per the judgement of the Supreme Court.

You have had this legally vetted?

Yes, correct.
You have got the Attorney General's opinion on whether this is in compliance with the Supreme Court judgment and it is?

Yes.
Is this the way out so to speak then as far as third party providers are concerned, fintech companies are concerned? How

many people have started this process of using this offline authentication?

We had a workshop of all fintech companies because the Aadhaar is very powerful and Supreme Court also has mentioned that it is an empowerment document.

As a citizen, as a resident if I have a Aadhaar card or e-Aadhaar, it is my freewill to use it wherever I want, nobody can make it mandatory unless until there is a law, however I should be able to use it, particularly when 50-60 crore people in India only have Aadhaar card.

So, they should be able to freely use it. So, we are working with various stakeholders, the fintech companies because we do not want India's digital journey to get hampered.

Supreme Court order also told you to put more checks and balances in places and to put more safeguards in place. Since the order, since you were talking about the workshop that you have done with fintech companies, what are the further safeguards that you have put in place?

Let me explain to you how the offline verification will work. In this offline verification, you can go to our website and you can download one version of Aadhaar Card where your Aadhaar number will be masked, so your Aadhaar number is not exposed, it has only your name, address and photograph which anyway in today's world your name, address and photograph is in the voter ID card, voter list, so privacy issues are not to that extent there. So, if that kind of an Aadhaar card and which is digitally signed by us, that can be used by the fintech companies, technology companies, any service provider without impinging your privacy and that itself is a very big safeguard...the Supreme Court in its judgement has in fact impressed upon the government to implement Justice Srikrishna's report.

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