

The Unique Identification Authority of India (UIDAI) has traversed a long way since its inception in January 2009. On April 4 this year, the authority reached a milestone by generating 100 crore Aadhaar numbers. The identification provided by Aadhaar is set to reach a critical phase as the number generated through it will now be used by the government to deliver subsidies and other services. Talking to Nirbhay Kumar and Subhash Narayan, UIDAI chief executive officer Ajay Bhushan Pandey said Aadhaar has also found an important role in the government's digital drive post-demonetisation. The authority has sought facilitation of Aadhaar-based identification for a host of e-payment transactions. Bhushan feels that diverse activities where Aadhaar could be used would help build a cashless society. Excerpts:

■ **What role do you see for Aadhaar in turning India into a cashless or less-cash society?**

Aadhaar is uniquely positioned in the current scenario. It is a digital identity, which can be authenticated online. Over 108 crore people have been allotted this unique number. The IT infrastructure provides for verification 'any time, anywhere' on a smartphone or tab using the person's fingerprint.

You, of course, need internet and smartphone, but the cell phone penetration has crossed the 100 crore mark. So, the Aadhaar authentication facility can help authenticate crores of people every day. More than 36-crore Aadhaar numbers are linked with bank accounts, allowing account-holders to make payment digitally.

■ **What are the digital payment options?**

Broadly, there are five options to make payments digitally. Of course, some of them are traditional methods like debit card, credit card and internet banking. Earlier, people used debit cards to only withdraw money but now they are being used for digital payments. Then you have a category of people who have smartphones. In fact, the mobile



phones can replace debit cards, credit cards and other plastic money. Smartphones are a powerful device that can be used as e-wallets.

e-wallets operate in a close loop. If I have to make payment from my wallet then my wallet and the merchant's wallet have to be the same. The universal payment interface (UPI) addresses this as it's completely inter-operable. You can download the UPI app on smartphone and then can send money to anyone either through Aadhaar number or bank account.

■ **How widely is UPI being used?**

It's very much in use despite coming just a few months back. Infrastructure is available (for this) but banks need to promote that. When you are talking about availability, it means availability of technology, application and infrastructure. It's all there. Many banks have launched the UPI app. While different banks have come out with their own UPI apps, we are working on a common app that can be downloaded from the Google store and trans-

actions could be done through a single platform.

■ **Not everybody is using a smartphone. How would UIDAI make it possible for non-smartphone users to transact digitally?**

About 40 crore people are using feature phones. We are working on a mechanism to help these people use their phones for digital transaction. These people who are at the bottom of the pyramid may not have an active debit card. For them, there is an option called USSD, which is part of UPI but actually works on feature phones and for that you don't need data connectivity. What's required is to make USSD robust, reliable and simple. In the current USSD, one needs to enter bank accounts, maybe of 16 digits. People are working on it to make it simple so that typing 16 digits would not be required.

■ **What about those who don't use phones at all?**

About 30 crore people have neither feature phones nor smartphones. For them we have come out with an Aadhaar-enabled

Law prohibits UIDAI to share data with intelligence agencies

CEO SPEAK AJAY BHUSHAN PANDEY

payment system. Under this, a shopkeeper or a small vendor will have a smartphone attached with a fingerprint scanner. If someone purchases something from him, the shopkeeper will scan his fingerprint and the amount will be deducted from his Aadhaar-linked account.

■ **What's the current Aadhaar authentication capacity and how soon can it be scaled up?**

We are already doing around 1.25 crores authentication everyday. We have the capacity to go up to 10 crores. But seeing the current shift towards digital payment, we are making a plan to handle 40 crores authentications a day. Our architecture is modular to keep on adding the capacity and scale up.

■ **How do you plan to handle the cases of authentication failure?**

Every system works within a certain service-level agreement and has certain failure rates. So, there could be some cases of failures because of various reasons like communication, device, biometric and training. But good thing is that we have a lot of redundancies as far as biometric is concerned. We have 10 biometric fingers and plus 2 iris. So, we have 12 options. Therefore, if something fails we will think of something else.

■ **Will Aadhaar eventually replace most other identification cards?**

I don't agree with this. I don't envisage this. I would not suggest this because Aadhaar is for the identity and all other identities are for different purposes. For example, you have a passport, which is needed for travelling abroad. Maybe Aadhaar number will be there on the passport but passport will be there. Now take the driving licence, it's given on the basis of driving skill of a person. Similarly, take the case of voters ID. Aadhaar is given to both citizens and non-citizens, but voter I-card is given only to a citizen. It's too simplistic to think that Aadhaar will replace all other identities. Different identities serve different purposes. As long as those purposes will be there, other identities will continue to exist.

■ **Can you have a phone with fingerprint scanner?**

That may come later. We are talking to different mobile phone companies for that. We did have a discussion with them, and we have requested them to introduce some kind of biometric features. My first-hand experience is that cost will not increase because of that. It will go up only by a few dollars. But cost is also a function of scale. If we have high volume and demand is there, mobile phone manufacturers will introduce them. Right now we are creating demand by popularising digital payments. I am pre-

ty sure that mobile phone firms have good business sense and they may introduce new feature on their own.

■ **Do you plan to levy some kind of user-charge for Aadhaar-based payment authentication?**

The Act provides for that. At an appropriate time, UIDAI will take a decision. This is something, which the government and the authority will decide.

■ **Assuming that UIDAI levies a fee, will it make the authority financially self-sustainable?**

It's possible. But we have got to see the larger picture. At present, our priority is to facilitate online transaction, payments and authentication. At appropriate time, a balanced view can be taken.

■ **Given the volume of work, will UIDAI ask for enhanced allocation in the budget?**

That is an ongoing process. I think that's not an issue. It's between the authority and the government. And the government is always very supportive.

■ **You have enrolled 108 crore people under Aadhaar. Is there a target that needs to be reached?**

We have covered over 99 per cent of the adult population. Only young children are left out. For that we are going to schools and anganwadis. But it will remain an ongoing process. At around 40,000 centres Aadhaar enrolment is still happening and everyday we are enrolling about

6-7 lakh people. Hopefully, by the end of March, most people will be covered. But the process would still continue.

■ **Will Aadhaar identity be extended to J&K too?**

We are in discussion with the J&K government. In fact, Aadhaar enrollment is happening there. But the Act is to be formally extended there.

■ **Does Aadhaar provide ground for data piracy?**

These issues have been settled in the Aadhaar Act. The legislation provides for foolproof mechanism to safeguard individual privacy and data protection. It also puts restrictions on use of data and has stringent provisions for data misuse. If there is misuse of data or breach of privacy, the law provides for imprisonment of three years. It's a very strong law.

■ **Can the data be shared with intelligence agencies?**

UIDAI will not share any data. We are prohibited from sharing the data under the law.

■ **Has demonetisation changed the role of Aadhaar?**

Demonetisation has given a push to the efforts towards building a digital economy and highlighted why it's required now. Because we have an Aadhaar infrastructure, we are more equipped to handle the situation and make this process of digital transformation faster.

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